



Amendment No. 2
to
Contract No. NA150000128
for
Group STD & LTD Insurance
between
Life Insurance Company of North America
dba Cigna Insurance Group
and the
City of Austin

- 1.0 The City hereby exercises this extension option for the subject contract. This extension option will be effective January 1, 2020 through December 31, 2020. One (1) option will remain.
- 3.0 The total contract amount is increased by \$2,434,000.00 by this extension period. The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 01/01/2016 – 12/31/2018	\$7,302,000.00	\$7,302,000.00
Amendment No. 1: Option 1-Extension 01/01/2019 – 12/31/2019	\$2,434,000.00	\$9,736,000.00
Amendment No. 2: Option 2 – Extension 01/01/2020 – 12/31/2020	\$2,434,000.00	\$12,197,000.00

- 4.0 By signing this Amendment, the Contractor certifies that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Sign/Date: Scott Hardner 9/19/19

Printed Name: Scott Hardner
Authorized Representative

Life Insurance Company of North America
D/B/A Cigna Group Insurance
1640 Dallas Parkway
Plano, TX 75093

Scott.Hardner@cigna.com

Sign/Date: Cyrenthia Ellis 9/17/19

Cyrenthia Ellis
Procurement Manager
City of Austin
Purchasing Office
124 W. 8th Street, Ste. 310
Austin, Texas 78701



Amendment No. 1
to
Contract No. NA150000128
for
Group STD & LTD Insurance
between
Life Insurance Company of North America
dba Cigna Insurance Group
and the
City of Austin

- 1.0 The City hereby exercises this extension option for the subject contract. This extension option will be January 1, 2019 through December 31, 2019. Two options will remain.
- 2.0 The total contract amount is increased by \$2,434,000.00 by this extension period. The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 01/01/2016 – 12/31/2018	\$7,302,000.00	\$7,302,000.00
Amendment No. 1: Option 1 – Extension 01/01/2019 – 12/31/2019	\$2,434,000.00	\$9,736,000.00

- 3.0 MBE/WBE goals do not apply to this contract.
- 4.0 By signing this Amendment the Contractor certifies that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.
- 5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Sign/Date: Scott Hardner 12/7/18

Printed Name: Scott Hardner
Authorized Representative

Life Insurance Company of North America
dba Cigna Insurance Group
2 Riverway, Suite 1100
Houston, Texas 77056-1940
(713) 552-7884

Sign/Date: Cyrenthia Ellis 12/10/18

Cyrenthia Ellis
Procurement Manager
City of Austin
Purchasing Office
124 W. 8th Street, Ste. 310
Austin, Texas 78701



City of Austin

Purchasing Office, Financial Services Department

P.O. Box 1088, Austin, TX 78767

September 2, 2015

Life Insurance Company of North America dba Cigna Group Insurance
Scott Hardner
Two Liberty Place
1601 Chestnut Street
Philadelphia, PA 19192

Dear Mr. Hardner:

The Austin City Council approved the execution of a contract with your company for Short Term Disability and Long Term Disability Insurance in accordance with the referenced solicitation.

Responsible Department:	Human Resources Department
Department Contact Person:	Lisa Herrera
Department Contact Email Address:	Lisa.Herrera@austintexas.gov
Department Contact Telephone:	(512) 974-3316
Project Name:	STD & LTD Insurance
Contractor Name:	Cigna Insurance Group
Contract Number:	NA150000128
Contract Period:	1/1/2016 – 12/31/2018
Dollar Amount	\$7,302,000.00
Extension Options:	Three 12-month options
Requisition Number:	RQM 5800 - 15020600186
Solicitation Number:	JRD0306
Agenda Item Number:	30
Council Approval Date:	8/20/2015

Thank you for your interest in doing business with the City of Austin. If you have any questions regarding this contract, please contact the person referenced under Department Contact Person.

Sincerely,

Jonathan Dalchau
Senior Buyer
City of Austin
Purchasing Office

**CONTRACT BETWEEN THE CITY OF AUSTIN ("City")
AND
Life Insurance Company of North America dba Cigna ("Contractor")
for
Short Term Disability and Long Term Disability Insurance
MA NA150000128**

The City accepts the Contractor's Offer (as referenced in Section 1.1.3 below) for the above requirement and enters into the following Contract.

This Contract is between Life Insurance Company of North America dba Cigna having offices at 1640 Dallas Parkway, Plano, Texas 75093 and the City, a home-rule municipality incorporated by the State of Texas, and is effective as of the date executed by the City ("Effective Date").

Capitalized terms used but not defined herein have the meanings given them in Solicitation Number Request for Proposal, JRD0306.

1.1 This Contract is composed of the following documents:

1.1.1 This Contract

1.1.2 The City's Solicitation, Request for Proposal, JRD0306 including all documents incorporated by reference and the City's Best and Final Offer dated May 28, 2015

1.1.3 Life Insurance Company of North America dba Cigna Offer, dated April 23, 2015 and Life Insurance Company of North America dba Cigna's Response to the City's Best and Final Offer dated June 4, 2015 and any and all subsequent clarifications, including Exhibits A, B, and C attached hereto

1.2 Order of Precedence. Any inconsistency or conflict in the Contract documents shall be resolved by giving precedence in the following order:

1.2.1 This Contract

1.2.2 The City's Solicitation as referenced in Section 1.1.2, including all documents incorporated by reference

1.2.3 The Contractor's Offer as referenced in Section 1.1.3, including subsequent clarifications.

1.3 Term of Contract. The Contract will be in effect for an initial term of thirty six (36) months and may be extended thereafter for up to three (3) additional twelve (12) month periods, subject to the approval of the Contractor and the City Purchasing Officer or his designee. See the Term of Contract provision in Section 0400 for additional Contract requirements.

1.4 Compensation. The Contractor shall be paid a total not-to-exceed amount of \$7,302,000 for the initial Contract term and an amount not-to-exceed \$2,434,000 per each extension option, for a total contract amount not-to-exceed \$14,604,000.

1.5 Quantity of Work. There is no guaranteed quantity of work for the period of the Contract and there are no minimum order quantities. Work will be on an as needed basis as specified by the City for each Delivery Order

1.6 Clarifications and Additional Agreements. The following are incorporated into the Contract.

1.6.1 Section 0630-Commercial and Legal Contract Terms attached to Contractor's Proposal is deleted in its entirety and replaced by Exhibit A, attached hereto.

This Contract (including any Exhibits) constitutes the entire agreement of the parties regarding the subject matter of this Contract and supersedes all prior and contemporaneous agreements and understandings, whether written or oral, relating to such subject matter. This Contract may be altered, amended, or modified only by a written instrument signed by the duly authorized representatives of both parties.

In witness whereof, the parties have caused a duly authorized representative to execute this Contract on the date set forth below.

**LIFE INSURANCE COMPANY OF
NORTH AMERICA DBA CIGNA**

CITY OF AUSTIN

Scott Hardner

Printed Name of Authorized Person



Signature

Vice President, National Accounts

Title:

September 1, 2015

Date:

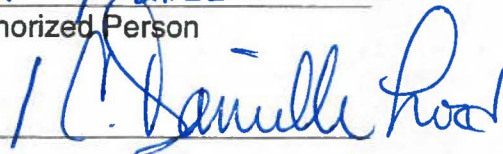
JONATHAN DALCHAU

Printed Name of Authorized Person



Signature

DANIELLE LORD



SENIOR BUYER

CORPORATE PURCHASING MGR

Title:

9/2/2015

Date:

9/2/15

EXHIBITS:

Exhibit A - Revised Section 0630-Commercial and Legal Contract Terms

Exhibit B - Contractor's Rate Sheet

Exhibit C - Performance Guarantees

EXHIBIT A
SECTION 0630-COMMERCIAL AND LEGAL CONTRACT TERMS

1. **CONTRACTOR'S OBLIGATIONS.** The Contractor shall fully and timely provide all deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable Federal, State, and local laws, rules, and regulations.
2. **WORKFORCE.**
 - A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.
 - B. The Contractor, its employees, subcontractors, and subcontractor's employees may not while engaged in participating or responding to a solicitation or while in the course and scope of delivering goods or services under a City of Austin contract or on the City's property:
 - i. use or possess a firearm, including a concealed handgun that is licensed under state law, except as required by the terms of the contract; or
 - ii. use or possess alcoholic or other intoxicating beverages, illegal drugs or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs, on the job.
 - C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs on the job, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.
3. **COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS.** The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. The Contractor shall indemnify and hold the City harmless from and against all claims, demands, suits, actions, judgments, fines, penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.
4. **PAYMENT.**
 - A. All proper invoices generated by the City will be paid within thirty (30) calendar days of the City's receipt of the deliverables or of the invoice, whichever is later.
 - B. If payment is not timely made, (per paragraph A), interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.
 - C. The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of:
 - i. delivery of defective or non-conforming deliverables by the Contractor;
 - ii. third party claims, which are not covered by the insurance which the Contractor is required to provide,

are filed or reasonable evidence is provided indicating probable filing of such claims;

iii. failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;

D. Reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;

i. failure of the Contractor to submit proper invoices with all required attachments and supporting documentation; or

ii. failure of the Contractor to comply with any material provision of the Contract Documents.

E. Notice is hereby given of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of §2-8-3 of the Austin City Code concerning the right of the City to offset indebtedness owed the City.

F. Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.

G. The awarding or continuation of this Contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this Contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of non or inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City.

5. FINAL PAYMENT AND CLOSE-OUT.

A. The making and acceptance of final payment will constitute:

i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and

ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

6. RIGHT TO AUDIT.

A. The Contractor agrees that the representatives of the Office of the City Auditor or other authorized representatives of the City shall have access to, and the right to audit, examine, or reproduce, any and all records of the Contractor related to the performance under this Contract. The Contractor shall retain all such records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer. The Contractor agrees to refund to the City any overpayments disclosed by any such audit.

B. The Contractor shall include section a. above in all subcontractor agreements entered into in connection with this Contract.

7. **SUBCONTRACTORS.**

- A. If the Contractor identified Subcontractors in an MBE/WBE Program Compliance Plan or a No Goals Utilization Plan, the Contractor shall comply with the provisions of Chapters 2-9A, 2-9B, 2-9C, and 2-9D, as applicable, of the Austin City Code and the terms of the Compliance Plan as approved by the City (the "Plan"). The Contractor shall not initially employ any Subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing in accordance with the provisions of Chapters 2-9A, 2-9B, 2-9C and 2-9D, as applicable. No acceptance by the City of any Subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Contract Manager and the Purchasing Office Contract Compliance Manager no later than the tenth calendar day of each month.
- B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract, and shall contain provisions that:
- i. require that all deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;
 - ii. prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further acceptable to the City;
 - iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;
 - iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified by the Contractor, at Contractor's sole discretion; and
 - v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.
- C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.
- D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

8. **WARRANTY-SERVICES.** The Contractor warrants and represents that all services to be provided the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable Federal, State and local laws, rules or regulations.

- A. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.

9. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES.** If, instead of requiring immediate correction or removal and replacement of defective or non-conforming deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.
10. **RIGHT TO ASSURANCE.** Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.
11. **STOP WORK NOTICE.** The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of Federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.
12. **DEFAULT.** The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 14, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.
13. **TERMINATION FOR CAUSE.** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. Additionally, in the event of a default by the Contractor, the City may remove the Contractor from the City's vendor list for three (3) years and any Offer submitted by the Contractor may be disqualified for up to three (3) years. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.
14. **TERMINATION WITHOUT CAUSE.** The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.
15. **FRAUD.** Fraudulent statements by the Contractor on any Offer or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.
16. **DELAYS.**
- A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the

Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in paragraph 38. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.

- B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such party. In the event of default or delay in contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

17. INDEMNITY.

A. Definitions:

- i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all reasonable costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including attorney and other professional fees for:
1. damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or
 2. death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's subcontractors, and third parties),
- ii. "Fault" shall include the sale of defective or non-conforming deliverables, negligence, willful misconduct, or a breach of any legally imposed strict liability standard.

- B. THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.

18. INSURANCE. (Reference Section 0400 for specific coverage requirements). The following insurance requirements apply. (Revised 6/01/98)

A. General Requirements.

- i. The Contractor shall at a minimum carry insurance in the types and amounts indicated in Section 0400, Supplemental Purchase Provisions, for the duration of the Contract, including extension options and hold over periods, and during any warranty period.
- ii. The Contractor shall provide Certificates of Insurance with the coverages and endorsements required in Section 0400, Supplemental Purchase Provisions, to the City as verification of coverage prior to contract execution and within fourteen (14) calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award. The Contractor must also forward a Certificate of Insurance to the City

whenever a previously identified policy period has expired, or an extension option or hold over period is exercised, as verification of continuing coverage.

- iii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iii. The Contractor's insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better. The City will accept workers' compensation coverage written by the Texas Workers' Compensation Insurance Fund.
- iv. All endorsements naming the City as additional insured and waiver of subrogation, endorsements as well as the Certificate of Insurance shall contain the solicitation number and the following information:

City of Austin
Purchasing office
Attn: Contract Admin
P. O. Box 1088
Austin, Texas 78767

- v. The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, with the exception of Professional Liability insurance, covering the Contractor, shall be considered primary coverage as applicable.
- vi. If insurance policies are not written for amounts specified in Section 0400, Supplemental Purchase Provisions, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.
- vii. The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor. The Contractor shall be provided with at least a sixty (60) day period to conform to any reasonable adjustments to insurance coverage herein.
- viii. The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract. In case of any policy cancellation, the Contractor shall immediately replace such policy(ies) with a substantially similar insurance policy(ies).
- ix. The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. All deductibles or self-insured retentions shall be disclosed on the Certificate of Insurance.
- x. The insurance coverages specified in Section 0400, Supplemental Purchase Provisions, are required minimums and are not intended to limit the responsibility or liability of the Contractor.

B. Specific Coverage Requirements: Specific insurance requirements are contained in Section 0400, Supplemental Purchase Provisions

- i. Worker's Compensation and Employers' Liability Insurance. Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee.

1. The Contractor's policy shall apply to the State of Texas and include these endorsements in favor of the City of Austin:

(a) Waiver of Subrogation, Form WC 420304, or equivalent coverage

ii. Commercial General Liability Insurance. The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injuries).

1. The policy shall contain the following provisions:

(a) Blanket contractual liability coverage.

(b) Independent Contractor's Coverage.

(c) Products/Completed Operations Liability for the duration of the warranty period.

2. The policy shall also include these endorsements in favor of the City of Austin: (a)

Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage

(b) The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent Coverage

iii. Business Automobile Liability Insurance. The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident.

1. The policy shall include these endorsements in favor of the City of Austin:

(a) Waiver of Subrogation, Endorsement TE 2046A, or equivalent coverage

(b) The City of Austin listed as an additional insured, Endorsement TE 99018, or equivalent coverage.

iv. Professional Liability Insurance. The Contractor shall provide coverage, at a minimum limit of \$1,000,000 per claim, to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission arising out of the performance of professional services under this Agreement.

If coverage is written on a claims-made basis, the retroactive date shall be prior to or coincident with the date of the Contract and the certificate of insurance shall state that the coverage is claims-made and indicate the retroactive date. This coverage shall be continuous and will be provided for 24 months following the completion of the contract.

C. Certificate. The following statement must be shown on the Certificate of Insurance:

"The City of Austin is an Additional Insured on the general liability and the auto liability policies. A Waiver of Subrogation is issued in favor of the City of Austin for general liability, auto liability and workers compensation policies."

19. ELECTRONIC IMAGES. The City reserves the right to capture electronic images of contractor employees or sub-contractors delivering this program for use in internal communications and marketing of Benefits Programs to City employees and retirees. Marketing may consist of; brochures, benefit materials, internal newsletters, and emails which may be copied, distributed, and transmitted via the City's intranet. Contractor hereby releases and holds the City harmless from and against any liability or claim for damages of any kind for the use as specified above.

20. **CLAIMS.** If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse effect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Austin City Attorney. Personal delivery to the City Attorney shall be to City Hall, 301 West 2nd Street, Austin, Texas 78701, and mail delivery shall be to P.O. Box 1088, Austin, Texas 78767.
21. **NOTICES.** Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at P.O. Box 1088, Austin, Texas 78767 and marked to the attention of the Contract Administrator.
22. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL.** All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, Texas Government Code.
23. **NO WARRANTY BY CITY AGAINST INFRINGEMENTS.** The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the deliverables and (ii) the deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the deliverables and the Contractor does not know of any valid basis for any such claims. The Contractor shall, at its sole expense, defend, indemnify, and hold the City harmless from and against all liability, damages, and costs (including court costs and reasonable fees of attorneys and other professionals) arising out of or resulting from: (i) any claim that the City's exercise anywhere in the world of the rights associated with the City's ownership, and if applicable, license rights, and its use of the deliverables infringes the intellectual property rights of any third party; or (ii) the Contractor's breach of any of Contractor's representations or warranties stated in this Contract. In the event of any such claim, the City shall have the right to monitor such claim or at its option engage its own separate counsel to act as co-counsel on the City's behalf. Further, Contractor agrees that the City's specifications regarding the deliverables shall in no way diminish Contractor's warranties or obligations under this paragraph and the City makes no warranty that the production, development, or delivery of such deliverables will not impact such warranties of Contractor.
24. **CONFIDENTIALITY.** In order to provide the deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Contract, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information. Nothing contained in Section 25 shall be deemed to prevent (1) Contractor from disclosing information to its auditors, accountants, attorneys, re-insurers or any regulatory authority having jurisdiction over it, or keeping copies of records for audit, examination and

other legal purposes; or (2) Contractor from obtaining, maintaining, using and disclosing individually identifiable personal information in accordance with applicable state and federal privacy laws.

25. **ADVERTISING.** The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.
26. **NO CONTINGENT FEES.** The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.
27. **GRATUITIES.** The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Austin with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.
28. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS.** No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City.
29. **INDEPENDENT CONTRACTOR.** The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City.
30. **ASSIGNMENT-DELEGATION.** The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there be no third party beneficiaries to the Contract.
31. **WAIVER.** No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.
32. **MODIFICATIONS.** The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract.

33. **INTERPRETATION.** The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.
34. **DISPUTE RESOLUTION.**
- A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below.
Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.
- B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center (DRC). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.
35. **JURISDICTION AND VENUE.** The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.
36. **INVALIDITY.** The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.
37. **SURVIVABILITY OF OBLIGATIONS.** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.

38. **HOLD OVER AT THE CITY'S OPTION.** Upon expiration of the Initial Term or a renewal or Optional Period, or if requested in writing by the City, Contractor agrees to hold over under the terms and conditions of this Contract for such a period of time as is reasonably necessary to re-solicit and/or complete the City's plan or program (not to exceed 120 days unless mutually agreed on in writing).

39. **Equal Opportunity**

A. **Equal Employment Opportunity:** No Contractor or Contractor's agent, shall engage in any discriminatory employment practice as defined in Chapter 5-4 of the City Code. No Bid submitted to the City shall be considered, nor any Purchase Order issued, or any Contract awarded by the City unless the Contractor has executed and filed with the City Purchasing Office a current Non-Discrimination Certification and has submitted a copy of the Contractor's employment non-discrimination policy. The Contractor shall sign and return the Non-Discrimination Certification attached to the Solicitation and shall provide the policy within fourteen (14) calendar days after written request from the City. Non-compliance with Chapter 5-4 of the City Code may result in sanctions, including termination of the contract and the Contractor's suspension or debarment from participation on future City contracts until deemed compliant with Chapter 5-4.

B. **Americans with Disabilities Act (ADA) Compliance:** No Contractor, or Contractor's agent shall engage in any discriminatory employment practice against individuals with disabilities as defined in the ADA.

40. **Minority And Women Owned Business Enterprise CMBE/WBE/Procurement Program:**

- A. All City procurements are subject to the City's Minority-Owned and Women-Owned Business Enterprise Procurement Program found at Chapters 2-9A, 2-9B, 2-9C and 2-9D of the City Code. The Program provides Minority-Owned and Women-Owned Business Enterprises (MBEs/WBEs) full opportunity to participate in all City contracts.
- B. If any service is needed to perform the Contract and the Contractor does not perform the service with its own workforce or if supplies or materials are required and the Contractor does not have the supplies or materials in its inventory, the Contractor shall contact the Department of Small and Minority Business Resources (DSMBR) at (512) 974-7600 to obtain a list of MBE and WBE firms available to perform the service or provide the supplies or materials. The Contractor must also make a Good Faith Effort to use available MBE and WBE firms. Good Faith Efforts include but are not limited to contacting the listed MBE and WBE firms to solicit their interest in performing on the Contract; using MBE and WBE firms that have

shown an interest, meet qualifications, and are competitive in the market; and documenting the results of the contacts.

41. **Non-Solicitation:**

- A. During the term of the Contract, the Contractor, its affiliate, or its agent shall not solicit for employment or consulting services, a City employee employed in a technical job classification in a City department that engages or uses the services of a Contractor employee.

ATTACHMENT 0610-A - CURRENT PLAN DESIGN RATE SHEET - BAFO
CITY OF AUSTIN PURCHASING OFFICE
SHORT TERM AND LONG TERM DISABILITY INSURANCE
SOLICITATION NUMBER: RFP JRD0306

EXHIBIT B
CONTRACTOR'S RATE SHEET

Reference 3.5 of Section 0500: Program Coverage Requirements:

Complete the rate sheet below for the corresponding premium for Short Term Disability and Long Term Disability. The rates shall be guaranteed for the initial 36-month period, regardless of actual enrollment or payroll volume. Firm rates or maximum rate caps shall be provided for the three (3) 12-month extension option periods, regardless of actual enrollment or payroll volume. The Contractor shall quote rates out to three (3) decimal points and divisible by two (2).

SECTION 1 - SHORT TERM DISABILITY

SHORT TERM DISABILITY	EXHIBIT D - COA CENSUS INFO	INITIAL CONTRACT - GUARANTEED RATES						OPTION - YEAR 1		OPTION - YEAR 2		OPTION - YEAR 3	
		2016		2017		2018		2019		2020		2021	
Total Covered Payroll	\$773,272,336	Annual Rates	Annual Premium	Annual Rates	Annual Premium	Annual Rates	Annual Premium	Annual Rate or Max % Increase	Annual Premium	Annual Rate or Max % Increase	Annual Premium	Annual Rate or Max % Increase	Annual Premium
70% of Total Covered Payroll	\$541,290,635												
70% of Total Covered Payroll Per \$100	\$5,412,906	\$0.090	\$487,161.57	\$0.090	\$487,161.57	\$0.090	\$487,161.57	\$0.090	\$487,161.57	\$0.098	\$530,464.82	\$0.106	\$573,768.07
Total Short Term Disability Premium for 6 years												\$3,052,879.18	

SECTION 2 - LONG TERM DISABILITY

LONG TERM DISABILITY	EXHIBIT D - COA CENSUS INFO	INITIAL CONTRACT - GUARANTEED RATES						OPTION - YEAR 1		OPTION - YEAR 2		OPTION - YEAR 3	
		2016		2017		2018		2019		2020		2021	
Total Covered Payroll	\$568,268,253	Annual Rates	Annual Premium	Annual Rates	Annual Premium	Annual Rates	Annual Premium	Annual Rate or Max % Increase	Annual Premium	Annual Rate or Max % Increase	Annual Premium	Annual Rate or Max % Increase	Annual Premium
Total Covered Payroll Per \$100 - Under 30	\$309,393	\$0.082	\$25,370.23	\$0.082	\$25,370.23	\$0.082	\$25,370.23	\$0.082	\$25,370.23	\$0.088	\$27,226.58	\$0.094	\$29,082.94
Total Covered Payroll Per \$100 - 30-39	\$1,478,724	\$0.108	\$159,702.19	\$0.108	\$159,702.19	\$0.108	\$159,702.19	\$0.108	\$159,702.19	\$0.118	\$174,489.43	\$0.128	\$189,276.67
Total Covered Payroll Per \$100 - 40-49	\$2,065,514	\$0.236	\$487,484.90	\$0.236	\$487,484.90	\$0.236	\$487,484.90	\$0.236	\$487,484.90	\$0.254	\$524,885.96	\$0.274	\$585,978.24
Total Covered Payroll Per \$100 - 50-59	\$1,450,166	\$0.442	\$640,973.37	\$0.442	\$640,973.37	\$0.442	\$640,973.37	\$0.442	\$640,973.37	\$0.478	\$693,179.35	\$0.516	\$748,285.66
Total Covered Payroll Per \$100 - 60-69	\$363,401	\$0.338	\$122,829.54	\$0.338	\$122,829.54	\$0.338	\$122,829.54	\$0.338	\$122,829.54	\$0.364	\$132,277.96	\$0.392	\$142,453.19
Total Covered Payroll Per \$100 - 70 and older	\$15,385	\$0.118	\$1,815.43	\$0.118	\$1,815.43	\$0.118	\$1,815.43	\$0.118	\$1,815.43	\$0.126	\$1,938.51	\$0.136	\$2,092.36
Total Covered Payroll Per \$100	\$5,682,683		\$1,438,175.66		\$1,438,175.66		\$1,438,175.66		\$1,438,175.66		\$1,553,777.79		\$1,677,169.06
Total Long Term Disability Premium for 6 Years												\$8,983,649.50	
Annual STD and LTD Premium			\$1,925,337.23		\$1,925,337.23		\$1,925,337.23		\$1,925,337.23		\$2,084,242.82		\$2,250,937.13
Total LTD and STD Premium - 6 Years												\$12,036,528.68	

I acknowledge that the rates contained herein are based on the following assumptions:

1. The Short Term Disability rate is per \$100 of salary based upon 70% of annual Pre-Disability Earnings.
2. The Short Term Disability rates include the City of Austin's share of Social Security and Medicare taxes.
3. Proposer will file the Short Term Disability quarterly 941 statements and prepare W-2 statements for each benefit recipient at each year's end and mail to the recipient's home address.
4. The Long Term Disability rates are per \$100 annual Pre-Disability Earnings.
5. The rates are guaranteed regardless of actual enrollment or payroll volume.
6. The rates are guaranteed for the initial 36-month period.
7. If the rates are not guaranteed for the three (3) 12-month extension option periods, rate caps are provided.
8. The rates include all costs for the requirements listed in this RFP, including, but not limited to labor, materials, supplies, printing, travel, and all costs and fees including administrative burden for providing disability insurance programs.
9. Does your Proposal deviate from the specification requirements as specified in 3.5 of the Section 0500? ☐ Yes ☒ No

If yes, list all deviations: These rates reflect the current inforce STD and LTD plan designs. We are offering a four year rate guarantee. The fields for Years 2020 and 2021 would not accept percentage maximums. We are quoting 8% rate caps in each year. The rates noted above roughly reflect a po

COMPANY NAME: Life Insurance Company of North America

SIGNATURE OF AUTHORIZED REPRESENTATIVE: 

PRINTED NAME: Scott Hardner

EMAIL ADDRESS: Scott.Hardner@Cigna.com

EXHIBIT C PERFORMANCE GUARANTEES

	PERFORMANCE MEASURE	ACCEPTABLE PERFORMANCE	LIQUIDATED DAMAGE	AGREE YES/NO
1.	Transition and Implementation	The Contractor will be fully operational to process claims as of 12:01 a.m., January 1, 2016.	2% of the total annual contract amount * Failure to implement the plan has a cost impact to the City. Poor implementation of the plan may result in claims not being processed timely and correctly effective starting January 1st. The City will have to spend time re-soliciting the project taking hundreds of hours of staff time.	Yes - All account specifications required for account management will be entered into the intake and claim administration/management systems prior to the effective date of coverage.
2.	Completed STD and LTD certificates	Within 30 days of finalizing certificate language by both the Contractor and the City.	1% of the total annual contract amount * Failure to provide certificates has a cost impact to the City. Poor implementation of the plan may result in claims not being processed timely and correctly effective starting January 1st. Beneficiaries may suffer financial hardship if claims are not processed timely and accurately.	Yes - COA will receive electronic certificates at the same time the policy is sent which will be issued within 30 business days following resolution of all outstanding issues.
3.	Reporting Requirement	100% of the time, reports that are mutually agreed upon by the Contractor and the City, are provided within 60 days of the end of the reporting period. Results based upon quarterly and year-end internal survey conducted by the City.	.5% of annual contract amount * Not providing reports timely has a cost impact to the City. The City must monitor claims experience and specific claims to ensure claims are reported correctly. Claims experience also impacts decisions regarding renewal of the contract.	Yes
4.	Time to Pay	The Contractor will pay at least 99% of all disability claims within five business days after Contractor has received all pertinent information for each claim submitted. This will be verified after each quarter reporting period based on the Contractor's quarterly reports.	2% of annual contract amount * Timely and accurate processing of claims has a cost impact on the City. City Staff assists employees with claims submission and provides updates on claim status. Beneficiaries may suffer financial hardship if claims are not processed timely and accurately.	Yes w/ caveat - The following will be split into 2 categories with separate penalty amounts: - 97% of STD decisions will be made within 5 business days of receipt of complete claim (all information needed to make the decision). ≥97 - no penalty <97% and ≥95% - 50% of the penalty <95% - 100% of the penalty For all LTD claims received for the City of Austin during the annual evaluation period, the average time for initial LTD decisions will be 45 calendar days or less. Results will be reported quarterly, but penalties will be based on annual results. In the event there are fewer than 50 claims received annually, performance will be measured at the field claim office level. Results will be provided quarterly, penalties will be based on annual results.
5.	Dedicated Staff Response	The Contractor's dedicated staff will respond to 85% of telephone calls and electronic mail from City staff or employees within next business day. The City will document the dates and times of un- returned calls and/or electronic mail.	1% of annual contract amount * Telephone calls and emails that are not answered timely have a cost impact on the City. City staff contacts the Contractor to make inquiries on a claim and must report back to the beneficiary and/or City Management regarding status of claim payment.	This appears to be duplicative of feedback that would be part of the Client Satisfaction metric and would be included as part of that survey. If there is a reason for it to be excluded from the survey, we are happy to discuss this in more detail.
	PERFORMANCE MEASURE	ACCEPTABLE PERFORMANCE	LIQUIDATED DAMAGE	AGREE YES/NO

6.	Average Speed to Answer	<p>The Average Speed to Answer will be thirty (30) seconds and will be measured each quarter reporting period by the standard tracking reports produced by the Contractor's automated phone system.</p> <p>Results to be based on the Contractor's total book of business.</p> <p>Average speed to answer calls calculated over the complete workday is defined as the time a called spends on hold until a service representative becomes available. Standard is measured by determining the average number of seconds the caller spends waiting for a service representative. Results determined from reports provided by the Contractor.</p>	<p>.5% of annual contract amount *</p> <p>Telephone calls that are not answered timely have a cost impact on the City. City staff contacts the Contractor to make inquiries on a claim and must report back to the beneficiary and/or City Management regarding status of claim payment.</p>	<p>Yes - results will be provided quarterly and penalties will be based on an annual average and book of business. Network Level based on all calls received in the Intake Center during the term of the agreement.</p> <p>≤30 seconds - no penalty >30 seconds and ≤45 seconds - 50% of the penalty >45 seconds - 100% of the penalty</p>
7.	Abandonment Rate	<p>The abandonment rate shall be no greater than 5% annually based upon annual client survey results conducted by the Contractor. Results to be based on the Contractor's total book of business.</p> <p>Abandoned calls are defined as calls calculated over the completed workday that reach the facility and are placed in a queue but are not answered because the caller hangs up before a service representative becomes available. Results are determined from reports provided by the Contractor's automated phone system.</p>	<p>.25% of annual contract amount *</p> <p>Telephone calls that are not timely answered has a cost impact on the City. When employees cannot reach the Contractor, they turn to the benefits staff for answers consuming stafftime resolving the issue. The benefits staff makes inquiries on claims and requires a response within one business day due to the nature of the pending claim. However, the City accepts that not all abandoned calls are the results of the Contractor's non-performance.</p>	<p>Yes - results will be based on an annual average and book of business. Network Level based on all calls received in the Intake Center during the term of the agreement.</p>
	PERFORMANCE MEASURE	ACCEPTABLE PERFORMANCE	LIQUIDATED DAMAGE	AGREE YES/NO
8.	Overall Client Satisfaction	<p>The City will conduct a Client Satisfaction Survey of the City staff that process disability claims or are administratively involved with this contract. The City will conduct the internal survey within thirty (30) calendar days following each quarter. The Contractor shall achieve a rating of average or above for overall service based on a five point scale of all quarterly and year-end internal survey results conducted by the City.</p>	<p>.5% of annual contract amount *</p> <p>Timely and accurate processing of claims has a cost impact on the City. City Staff assists employees, retirees, and dependents with claims submission and provides updates on claim status. Beneficiaries may suffer financial hardship if claims are not processed timely and accurately.</p>	<p>Yes - our preference would be to use our survey conducted by Cigna's survey team. Details regarding the survey method, evaluation components, etc. would be agreed upon by both the City and Cigna prior to the surveys commencing. Surveys can be conducted quarterly, but penalties will be based on the annual result.</p>

*Liquidated Damages shall not exceed 2% of the annual fees for implementation and an additional 2% for all other items.

Original

Cigna Benefit Solutions for:

City of Austin

RFP JRD0306

April 2015

A Proposal for:

Employer Paid STD and Voluntary LTD

Provided by:

Life Insurance Company of North America (LINA) is the legal name of the company submitting this response to the City of Austin Request for Proposal. In this proposal, Life Insurance Company of North America (LINA) may use the name "Cigna" and other service marks, or division/trade names, in reference to Life Insurance Company of North America (LINA) and/or the products and services offered by Life Insurance Company of North America (LINA) and affiliated Cigna companies. All affiliated Cigna companies and operating subsidiaries are indirectly wholly owned subsidiaries of Cigna Corporation, a publicly traded corporation.

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Table of Service Performance Measures – Implementation
Amount at risk for Implementation in total is the lesser of X% of annual premium or \$XXX

Client Name: XYZ Company, Inc.

Policy Number¹: FLX123

Implementation Performance Measures

Performance Standard	Basis of Measurement	Evaluation Method	–	Penalty Amount
1. <u>Initial Agreement/Contract</u> will be issued within 30 business days following resolution of all outstanding issues related to plan design and/or agreement language.	Client Specific	Actual completion dates for implementation services will be compared to the performance standard. ²		20% of the amount at risk
2. <u>Service Readiness</u> System requirements for claim intake and service will be configured prior to the coverage effective date.	Client Specific	Actual completion dates for implementation services will be compared to the performance standard. ²		20% of the amount at risk
3. <u>Implementation Survey</u> results of 'Satisfied' or better as measured by the client will be considered client satisfaction.	The Standard Client Implementation Survey will be sent to the Client 90 to 180 calendar days after the effective date to mutually agreed upon Client representatives.	The client will complete the on-line survey. A score of 'Satisfied' or better, as measured by an average of the designated members of the Client's staff is considered client satisfaction. In order for the Client Satisfaction Guarantee to be binding, Client must complete the Standard Client Implementation Survey within thirty (30) business days of receipt.		20% of the amount at risk
4. <u>Certificate Delivery</u> will adhere to the Implementation Schedule	Client Specific	Actual completion dates for implementation services will be compared to the performance		20% of the amount at risk

Table of Service Performance Measures – Implementation
Amount at risk for Implementation in total is the lesser of X% of annual premium or \$XXX

Client Name: XYZ Company, Inc.

Policy Number¹: FLX123

Performance Standard	Basis of Measurement	Evaluation Method	–	Penalty Amount
and will occur within 30 business days following receipt of the client's approval of Policy and Certificate Drafts.		standard. ²		
Optional Implementation Performance Measure <i>The following implementation measures will apply if the client has purchased a voluntary plan.</i>				
5. <u>Enrollment Materials</u> (Voluntary Plans Only) for all eligible participants under the Plan will be delivered in accordance with the agreed upon Implementation Schedule (assuming resolution of all outstanding issues related to plan design, electronic eligibility feeds, enrollment system fit, etc).	Client Specific	Actual completion dates for implementation services will be compared to the performance standard. ²		20% of the amount at risk
Notes – Implementation ¹ Performance measures will not be offered for the implementation of statutory disability plans due to installation requirements governed by the state in which the plan applies. ² Cigna shall not be considered to have failed to meet an implementation service standard if (i) such failure results from the Plan's failure to fulfill its obligations as of the designated completion dates set forth on the Implementation Calendar, or (ii) the Plan or a participant under the Plan or third party fails to provide Cigna with proper and accurate information needed for Cigna to successfully accomplish an implementation service. In the event the Plan determines it cannot fulfill an obligation as of a designated completion date, the Plan will notify Cigna and the parties will, if necessary, amend the Implementation Calendar, in writing, upon terms mutually agreed to by the parties.				

Table of Service Performance Measures

Total Amount at Risk:

Year 1 (XX/XX/20XX-XX/XX/20XX) Total Amount at risk: the lesser of 2% of Insured Premium plus 10% of Administrative Fees or \$(XXX,000-implementation \$).

After Year 1 (XX/XX/20XX-XX/XX/20XX) Total Amount at risk: the lesser of 2% of Insured Premium plus 10% of Administrative Fees or \$XXX,000.

Client Name: City of Austin

Policy Number: FLK123

Account Management

Performance Standard	Basis of Measurement	Evaluation Method	Evaluation Period	Penalty Amount
<p>CIGNA guarantees that the account management services CIGNA provides in connection with the Plan will be satisfactory. Performance measurements will include:</p> <ul style="list-style-type: none"> a. Acknowledge all telephone/e-mails from the Plan within one business day establishing a clear expectation for timely resolution of the request b. Communications (verbal & written) as well as face to face meetings with Plan are regular as defined by the plan and Account Manager c. Account Manager is consultative and solutions oriented utilizing knowledge of CIGNA's products & services to complement the Plan d. Concerns with the Plan are identified and addressed in a timely manner. e. Expert knowledge of the Plan including specific program 	Client Specific	<p>Completion of the Standard Annual [Semi-Annual, Quarterly] Account Management Survey.</p> <p>A score of 'Satisfied' or better, as measured by an average of the designated members of the Client's staff is considered customer satisfaction.</p>	<p>XX/XX/XXXX-XX/XX/XXXX for all metrics</p> <p>Penalties will be payable based on annual results.</p>	X% of the total amount at risk

Table of Service Performance Measures

Client Name: City of Austin

Policy Number: FLK123

requirements .				
Performance Standard	Basis of Measurement	Evaluation Method	Evaluation Period	Penalty Amount
Plan Performance/Reporting Semi-annual (Quarterly) Meetings to discuss financial experience, claim analysis and trending, overall plan performance	Client Specific			X% of the total amount at risk
(If Renewing during PG Period) Renewal Management Provide the Plan with renewal notice [120, 150, or 180] days before each rate guarantee termination date. Complete renewal package justifying the proposed renewal action will be presented at that time.	Client Specific			X% of the total amount at risk

Table of Service Performance Measures

Client Name: City of Austin

Policy Number: FLK123

Customer Service – Disability Intake Service Center

Performance Standard	Basis of Measurement	Evaluation Method	Evaluation Period	Penalty Amount
Average Speed to Answer: Calls will be answered in 30 seconds or less, based on an annual average and book of business.	Network Level based on all calls received in the Intake Center during the term of the agreement.	Measured via report of all calls received in the Intake Center.		X% of the overall PG dollars at risk. ≤30 seconds - no penalty >30 seconds and ≤45 seconds - 50% of the above >45 seconds - 100% of the above
Abandonment Rate: Abandonment Rate will be 3.5% or less, based on an annual average and book of business.	Network Level based on all calls received in the Intake Center during the term of the agreement.	Measured via report of all calls received in the Intake Center. Abandonment rate reflects those callers that disconnect their call prior to being connected to a representative ¹ .		X% of the overall PG dollars at risk. ≤3.5% - no penalty >3.5% and ≤5.5% - 50% of the above >5.5% - 100% of the above
Notes – Disability Intake Service Center ¹ Any call that abandons in 30 seconds or less (ASA Standard) will not be counted as an abandoned call since the caller did not give us the opportunity to answer the call within our standard.				

Table of Service Performance Measures

Client Name: City of Austin

Policy Number: FLK123

Customer Service – Disability

Performance Standard	Basis of Measurement	Evaluation Method	Evaluation Period	Penalty Amount
STD Decision Time For all STD claims received for the Policy/Planholder during the annual evaluation period, 97% of initial decisions will be made within 5 business days of receipt of all information required for the decision.	Client Specific level based on a report of all claims processed for the customer during the annual evaluation period ¹ .	Decision time will be measured from the date of receipt of all information required for the decision to the date the decision is reached and documented in the claim system.		X% of the overall PG dollars at risk. ≥97 - no penalty <97% and ≥95% - 50% of the above <95% - 100% of the above
STD Payment Accuracy For all STD claims received in the Field Claim Office servicing the Policy/Planholder during the annual evaluation period, 95% of claim dollars will be paid correctly.	Field Claim Office level based on random audit of all STD files processed in the claim office during the annual evaluation period.	Will be calculated as the total correct dollars minus the total dollars that were paid incorrectly, including overpayments and under payments, divided by the total correct dollars.		X% of the overall PG dollars at risk.
STD Coding Accuracy For all STD claims received in the Field Claim Office servicing the Policy/Planholder during the annual evaluation period, coding will be 95% correct.	Field Claim Office level based on random audit of all STD files processed in the claim office during the annual evaluation period.	Will be calculated by dividing the total correct coding items by the total number of coding items audited.		X% of the overall PG dollars at risk.

Table of Service Performance Measures

Client Name: City of Austin

Policy Number: FLK123

Customer Service – Disability – Continued

Performance Standard	Basis of Measurement	Evaluation Method	Evaluation Period	Penalty Amount
LTD Decision Time For all LTD claims received for the Policy/Planholder during the annual evaluation period, the average time for initial LTD decisions will be 45 calendar days or less ² .	Client Specific level based on a report of all claims processed for the customer during the annual evaluation period. ¹	Decision time will be measured from the date of receipt of notice of LTD claim to the date the decision is reached and documented in the claim system. In the case of claims transitioning from STD to LTD, date of receipt is deemed to be the date the claim is transitioned from the STD claim team. The calculation represents the arithmetic mean of all decisions made during the evaluation period.		X% of the overall PG dollars at risk.
LTD Offset Management (Social Security) For LTD claims received for the <u>Policy/Planholder</u> , 95% of all claimants who meet our referral criteria will be offered assistance with their initial Social Security application within 30 days of their Long Term Disability claim approval ³ .	Client Specific level based on a report of all claims processed for the customer during the annual evaluation period. ¹	Time will be measured from the date of approval to the date of offer of assistance.		X% of the overall PG dollars at risk.
LTD Payment Accuracy For all LTD claims received in the Field Claim Office during the annual evaluation period, 95% of claim dollars will be paid correctly.	Field Claim Office level based on random audit of all LTD files processed in the claim office during the annual evaluation period.	Will be calculated as the total correct dollars minus the total dollars that were paid incorrectly, including overpayments and under payments, divided by the total correct dollars.		X% of the overall PG dollars at risk.

Table of Service Performance Measures

Client Name: City of Austin

Policy Number: FLK123

Performance Standard	Basis of Measurement	Evaluation Method	Evaluation Period	Penalty Amount
Overall Client Satisfaction City staff will be satisfied with the customer service provided by Cigna. Cigna will conduct the surveys quarterly. Details regarding the survey method, evaluation components, etc. would be agreed upon by both the City and Cigna prior to the surveys commencing.	Client Specific level based on surveys of the City staff that process disability claims or are administratively involved with this contract.	A score of 'Satisfied' or better, as measured by an average of the designated members of the City staff is considered customer satisfaction.		X% of the overall PG dollars at risk.

Customer Service – Disability – Continued

Notes – Disability

¹In the event there are fewer than 50 claims received annually, performance will be measured at the field claim office level.

²Cigna reserves the right to review and amend this metric in the event of circumstances causing delays in claim processing that are beyond our control. This may include, but is not limited to delayed responses for information from the client, non-standard contract provisions or non-standard claim filing procedures. Cigna will notify the customer of the specific issues and will ensure that any amendment to this metric is acceptable to all parties.

³Qualified Claimants will be those who meet **all** of the following criteria:

- 1 - As of the date of approval, are not expected to return to work within 9 months from the onset of disability.
- 2 - Are not within 6 months of Social Security full retirement age as of the Benefit Start Date.
- 3 - Are not making claim for disability based on a diagnosis of pregnancy.
- 4 - As of the Benefit Start Date, are not earning greater than the Social Security earnings threshold (\$1070/month in 2014).

Table of Service Performance Measures

Client Name: City of Austin

Policy Number: FLK123

Client Representative Signature	Date
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STATE OF TEXAS
STATE BOARD OF INSURANCE

Certificate N^o 4612



Company No. 02-48100

CERTIFICATE OF AUTHORITY

THIS IS TO CERTIFY THAT

LIFE INSURANCE COMPANY OF NORTH AMERICA

PHILADELPHIA, PENNSYLVANIA

~~has complied with the laws of the State of Texas applicable thereto and is hereby authorized to trans-~~
~~act business in the State of Texas~~

has been granted permission to file, have approved and to issue approved variable annuity contracts in Texas in accordance with and subject to the law and administration of the state and as provided in Order No. 33148 of the Commissioner of Insurance of the State Board of Insurance, State of Texas.

insurance within the State of Texas. This Certificate of Authority shall be in full force and effect until it is revoked, canceled or suspended according to law.

IN TESTIMONY WHEREOF, witness my
hand and seal of office at Austin, Texas, this
21st day of October, A. D. 1970..


COMMISSIONER OF INSURANCE

**ATTACHMENT 0610-A - CURRENT PLAN DESIGN RATE SHEET
CITY OF AUSTIN PURCHASING OFFICE
SHORT TERM AND LONG TERM DISABILITY INSURANCE
SOLICITATION NUMBER: RFP JRD0306**

Reference 3.5 of Section 0500: Program Coverage Requirements:

Complete the rate sheet below for the corresponding premium for Short Term Disability and Long Term Disability. The rates shall be guaranteed for the initial 36-month period, regardless of actual enrollment or payroll volume. Firm rates or maximum rate caps must be provided for the three (3) 12-month extension option periods, regardless of actual enrollment or payroll volume. The Contractor will quote rates out to three (3) decimal points and divisible by two (2).

SECTION 1 - SHORT TERM DISABILITY

SHORT TERM DISABILITY	EXHIBIT D - COA CENSUS INFO	INITIAL CONTRACT - GUARANTEED RATES						OPTION - YEAR 1		OPTION - YEAR 2		OPTION - YEAR 3	
		2016		2017		2018		2019		2020		2021	
Total Covered Payroll	\$773,272,336	Annual Rates	Annual Premium	Annual Rates	Annual Premium	Annual Rates	Annual Premium	Annual Rate or Max % increase	Annual Premium	Annual Rate or Max % increase	Annual Premium	Annual Rate or Max % increase	Annual Premium
70% of Total Covered Payroll	\$541,290,635												
70% of Total Covered Payroll Per \$100	\$5,412,906	\$0.092	\$497,987.38	\$0.092	\$497,987.38	\$0.092	\$497,987.38	\$0.09	\$497,987.38	\$0.102	\$552,116.45	\$0.11	\$606,245.51
Total Short Term Disability Premium for 6 years													\$3,150,311.50

SECTION 2 - LONG TERM DISABILITY

LONG TERM DISABILITY	EXHIBIT D - COA CENSUS INFO	INITIAL CONTRACT - GUARANTEED RATES						OPTION - YEAR 1		OPTION - YEAR 2		OPTION - YEAR 3	
		2016		2017		2018		2019		2020		2021	
Total Covered Payroll	\$568,268,253	Annual Rates	Annual Premium	Annual Rates	Annual Premium	Annual Rates	Annual Premium	Annual Rate or Max % increase	Annual Premium	Annual Rate or Max % increase	Annual Premium	Annual Rate or Max % increase	Annual Premium
Total Covered Payroll Per \$100 - Under 30	\$309,393	\$0.082	\$25,370.23	\$0.082	\$25,370.23	\$0.082	\$25,370.23	\$0.082	\$25,370.23	\$0.090	\$27,845.37	\$0.100	\$30,939.30
Total Covered Payroll Per \$100 - 30-39	\$1,478,724	\$0.108	\$159,702.19	\$0.108	\$159,702.19	\$0.108	\$159,702.19	\$0.108	\$159,702.19	\$0.118	\$174,489.43	\$0.13	\$192,234.12
Total Covered Payroll Per \$100 - 40-49	\$2,065,614	\$0.236	\$487,484.90	\$0.236	\$487,484.90	\$0.236	\$487,484.90	\$0.236	\$487,484.90	\$0.260	\$537,059.64	\$0.286	\$590,765.60
Total Covered Payroll Per \$100 - 50-59	\$1,450,166	\$0.442	\$640,973.37	\$0.442	\$640,973.37	\$0.442	\$640,973.37	\$0.442	\$640,973.37	\$0.486	\$704,780.68	\$0.534	\$774,388.64
Total Covered Payroll Per \$100 - 60-69	\$363,401	\$0.338	\$122,829.54	\$0.338	\$122,829.54	\$0.338	\$122,829.54	\$0.338	\$122,829.54	\$0.372	\$135,185.17	\$0.410	\$148,994.41
Total Covered Payroll Per \$100 - 70 and older	\$15,385	\$0.118	\$1,815.43	\$0.118	\$1,815.43	\$0.118	\$1,815.43	\$0.118	\$1,815.43	\$0.130	\$2,000.05	\$0.144	\$2,215.44
Total Covered Payroll Per \$100	\$5,682,683		\$1,438,175.66		\$1,438,175.66		\$1,438,175.66		\$1,438,175.66		\$1,581,360.34		\$1,739,537.52
Total Long Term Disability Premium for 6 Years													\$9,073,600.51
Annual STD and LTD Premium			\$1,936,163.05		\$1,936,163.05		\$1,936,163.05		\$1,936,163.05		\$2,133,476.79		\$2,345,783.03
Total LTD and STD Premium - 6 Years													\$12,223,912.00

I acknowledge that the rates contained herein are based on the following assumptions:

1. The Short Term Disability rate is per \$100 of salary based upon 70% of annual Pre-Disability Earnings.
2. The Short Term Disability rates include the City of Austin's share of Social Security and Medicare taxes.
3. Proposer will file the Short Term Disability quarterly 941 statements and prepare W-2 statements for each benefit recipient at each year's end and mail to the recipient's home address.
4. The Long Term Disability rates are per \$100 annual Pre-Disability Earnings.
5. The rates are guaranteed regardless of actual enrollment or payroll volume.
6. The rates are guaranteed for the initial 36-month period.
7. If the rates are not guaranteed for the three (3) 12-month extension option periods, rate caps are provided.
8. The rates include all costs for the requirements listed in this RFP, including, but not limited to labor, materials, supplies, printing, travel, and all costs and fees including administrative burden for providing disability insurance programs.
9. Does your Proposal deviate from the specification requirements as specified in 3.5 of the Section 0500? ☐ Yes ☒ No

If yes, list all deviations: These rates reflect the current inforce STD and LTD plan designs. We are offering a four year rate guarantee. The fields for Years 2020 and 2021 would not accept percentage maximums. We are quoting 10% rate caps in each year. The rates noted above roughly reflect a potential

COMPANY NAME: Cigna

SIGNATURE OF AUTHORIZED REPRESENTATIVE: Scott Hardner

PRINTED NAME: Scott Hardner

EMAIL ADDRESS: Scott.Hardner@cigna.com

ATTACHMENT 0610-B - ALTERNATE PLAN DESIGN RATE SHEET
CITY OF AUSTIN PURCHASING OFFICE
SHORT TERM AND LONG TERM DISABILITY INSURANCE
SOLICITATION NUMBER: RFP JRD0306

Reference 3.5 of Section 0500: Program Coverage Requirements:

Complete the rate sheet below for the corresponding premium for Short Term Disability and Long Term Disability. The rates shall be guaranteed for the initial 36-month period, regardless of actual enrollment or payroll volume. Firm rates or maximum rate caps must be provided for the three (3) 12-month extension option periods, regardless of actual enrollment or payroll volume. The Contractor will quote rates out to three (3) decimal points and divisible by two (2).

SECTION 1 - SHORT TERM DISABILITY

SHORT TERM DISABILITY	EXHIBIT D - COA CENSUS INFO	INITIAL CONTRACT - GUARANTEED RATES						OPTION - YEAR 1		OPTION - YEAR 2		OPTION - YEAR 3	
		2016		2017		2018		2019		2020		2021	
Total Covered Payroll	\$773,272,336	Annual Rates	Annual Premium	Annual Rates	Annual Premium	Annual Rates	Annual Premium	Annual Rate or Max % increase	Annual Premium	Annual Rate or Max % increase	Annual Premium	Annual Rate or Max % increase	Annual Premium
70% of Total Covered Payroll	\$541,290,635												
70% of Total Covered Payroll Per \$100	\$5,412,906	\$0.092	\$497,987.38	\$0.092	\$497,987.38	\$0.092	\$497,987.38	\$0.092	\$497,987.38	\$0.102	\$552,116.45	\$0.112	\$606,245.51
Total Short Term Disability Premium for 6 years												\$3,150,311.50	

SECTION 2 - LONG TERM DISABILITY

LONG TERM DISABILITY	EXHIBIT D - COA CENSUS INFO	INITIAL CONTRACT - GUARANTEED RATES						OPTION - YEAR 1		OPTION - YEAR 2		OPTION - YEAR 3	
		2016		2017		2018		2019		2020		2021	
Total Covered Payroll	\$568,268,253	Annual Rates	Annual Premium	Annual Rates	Annual Premium	Annual Rates	Annual Premium	Annual Rate or Max % increase	Annual Premium	Annual Rate or Max % increase	Annual Premium	Annual Rate or Max % increase	Annual Premium
Total Covered Payroll Per \$100 - Under 30	\$309,393	\$0.082	\$25,370.23	\$0.082	\$25,370.23	\$0.082	\$25,370.23	\$0.082	\$25,370.23	\$0.090	\$27,845.37	\$0.100	\$30,939.30
Total Covered Payroll Per \$100 - 30-39	\$1,478,724	\$0.108	\$159,702.19	\$0.108	\$159,702.19	\$0.108	\$159,702.19	\$0.108	\$159,702.19	\$0.118	\$174,489.43	\$0.13	\$192,234.12
Total Covered Payroll Per \$100 - 40-49	\$2,065,614	\$0.236	\$487,484.90	\$0.236	\$487,484.90	\$0.236	\$487,484.90	\$0.236	\$487,484.90	\$0.260	\$537,059.64	\$0.286	\$590,765.60
Total Covered Payroll Per \$100 - 50-59	\$1,450,166	\$0.442	\$640,973.37	\$0.442	\$640,973.37	\$0.442	\$640,973.37	\$0.442	\$640,973.37	\$0.486	\$704,780.68	\$0.534	\$774,388.64
Total Covered Payroll Per \$100 - 60-69	\$363,401	\$0.338	\$122,829.54	\$0.338	\$122,829.54	\$0.338	\$122,829.54	\$0.338	\$122,829.54	\$0.372	\$135,185.17	\$0.410	\$148,994.41
Total Covered Payroll Per \$100 - 70 and older	\$15,385	\$0.118	\$1,815.43	\$0.118	\$1,815.43	\$0.118	\$1,815.43	\$0.118	\$1,815.43	\$0.130	\$2,000.05	\$0.144	\$2,215.44
Total Covered Payroll Per \$100	\$5,682,683		\$1,438,175.66		\$1,438,175.66		\$1,438,175.66		\$1,438,175.66		\$1,581,360.34		\$1,739,537.52
Total Long Term Disability Premium for 6 Years												\$9,073,600.51	
Annual STD and LTD Premium			\$1,936,163.05		\$1,936,163.05		\$1,936,163.05		\$1,936,163.05		\$2,133,476.79		\$2,345,783.03
Total LTD and STD Premium - 6 Years												\$12,223,912.00	

I acknowledge that the rates contained herein are based on the following assumptions:

1. The Short Term Disability rate is per \$100 of salary based upon 70% of annual Pre-Disability Earnings.
2. The Short Term Disability rates include the City of Austin's share of Social Security and Medicare taxes.
3. Proposer will file the Short Term Disability quarterly 941 statements and prepare W-2 statements for each benefit recipient at each year's end and mail to the recipient's home address.
4. The Long Term Disability rates are per \$100 annual Pre-Disability Earnings.
5. The rates are guaranteed regardless of actual enrollment or payroll volume.
6. The rates are guaranteed for the initial 36-month period.
7. If the rates are not guaranteed for the three (3) 12-month extension option periods, rate caps are provided.
8. The rates include all costs for the requirements listed in this RFP, including, but not limited to labor, materials, supplies, printing, travel, and all costs and fees including administrative burden for providing disability insurance programs.
9. Does your Proposal deviate from the specification requirements as specified in 3.5 of the Section 0500? ☐ Yes ☒ No

If yes, list all deviations: These rates reflect the current proposed \$1,500 STD max and \$10,000 LTD max plan designs. We are offering a four year rate guarantee. The fields for Years 2020 and 2021 would not accept percentage maximums. We are quoting 10% rate caps in each year. The rates noted ab

COMPANY NAME: Cigna

SIGNATURE OF AUTHORIZED REPRESENTATIVE: Scott Hardner

PRINTED NAME: Scott Hardner

EMAIL ADDRESS: scott.hardner@cigna.com

City of Austin
Proposed STD and LTD plan options
Rate Exhibit

<u>Year</u>	<u>Total STD Cost</u>	<u>Total LTD Cost</u>	<u>Total Cost</u>
2016	\$491,050.14	\$1,476,470.52	\$1,967,520.66
2017	\$491,050.14	\$1,476,470.52	\$1,967,520.66
2018	\$491,050.14	\$1,476,470.52	\$1,967,520.66
2019	\$491,050.14	\$1,476,470.52	\$1,967,520.66
2020	\$540,155.15	\$1,624,117.57	\$2,164,272.73
2021	\$594,170.67	\$1,786,529.33	\$2,380,700.00
Total	\$3,098,526.38	\$9,316,528.99	\$12,415,055.37

These options include a four year rate guarantee and a rate cap of 10% per year in 2020 and 2021

City of Austin
Proposed STD plan option
Rate Exhibit

Short Term Disability

<u>Time Period</u>	<u>Age Band</u>	<u>Proposed Maximum</u>	<u>Proposed Annual Volume</u>	<u>Proposed Rate/Rate Cap</u>	<u>Proposed Annual Premium</u>
2016-2019	All	\$1,500	\$533,750,152	\$0.092	\$491,050.14
2020	All	\$1,500	\$533,750,152	10%	\$540,155.15
2021	All	\$1,500	\$533,750,152	10%	\$594,170.67
Total					\$3,098,526.38

City of Austin
Proposed LTD plan option
Rate Exhibit

Long Term Disability

<u>Time Period</u>	<u>Age Band</u>	<u>Proposed Maximum</u>	<u>Proposed Annual Volume</u>	<u>Proposed Rate/Rate Cap</u>	<u>Proposed Annual Premium</u>
2016-2019	<20	\$10,000	\$29,245	\$0.082	\$23.98
	20-24		\$3,317,419	\$0.082	\$2,720.28
	25-29		\$21,777,784	\$0.082	\$17,857.78
	30-34		\$57,039,799	\$0.108	\$61,602.98
	35-39		\$82,679,116	\$0.108	\$89,293.45
	40-44		\$102,939,525	\$0.236	\$242,937.28
	45-49		\$103,831,010	\$0.236	\$245,041.18
	50-54		\$88,650,387	\$0.442	\$391,834.71
	55-59		\$63,052,960	\$0.442	\$278,694.08
	60-64		\$33,148,085	\$0.338	\$112,040.53
	65-69		\$9,479,678	\$0.338	\$32,041.31
	70-74		\$1,842,971	\$0.118	\$2,174.71
	75-79		\$176,478	\$0.118	\$208.24
Total			\$567,964,457		\$1,476,470.52

<u>Time Period</u>	<u>Age Band</u>	<u>Proposed Maximum</u>	<u>Proposed Annual Volume</u>	<u>Proposed Rate/Rate Cap</u>	<u>Proposed Annual Premium</u>
2020	<20	\$10,000	\$29,245	10%	\$26.38
	20-24		\$3,317,419	10%	\$2,992.31
	25-29		\$21,777,784	10%	\$19,643.56
	30-34		\$57,039,799	10%	\$67,763.28
	35-39		\$82,679,116	10%	\$98,222.79
	40-44		\$102,939,525	10%	\$267,231.01
	45-49		\$103,831,010	10%	\$269,545.30
	50-54		\$88,650,387	10%	\$431,018.18
	55-59		\$63,052,960	10%	\$306,563.49
	60-64		\$33,148,085	10%	\$123,244.58
	65-69		\$9,479,678	10%	\$35,245.44
	70-74		\$1,842,971	10%	\$2,392.18
	75-79		\$176,478	10%	\$229.07
Total			\$567,964,457		\$1,624,117.57

<u>Time Period</u>	<u>Age Band</u>	<u>Proposed Maximum</u>	<u>Proposed Annual Volume</u>	<u>Proposed Rate/Rate Cap</u>	<u>Proposed Annual Premium</u>
2021	<20		\$29,245	10%	\$29.02
	20-24		\$3,317,419	10%	\$3,291.54
	25-29		\$21,777,784	10%	\$21,607.92
	30-34		\$57,039,799	10%	\$74,539.61
	35-39		\$82,679,116	10%	\$108,045.07
	40-44		\$102,939,525	10%	\$293,954.11
	45-49	\$10,000	\$103,831,010	10%	\$296,499.83
	50-54		\$88,650,387	10%	\$474,120.00
	55-59		\$63,052,960	10%	\$337,219.84
	60-64		\$33,148,085	10%	\$135,569.04
	65-69		\$9,479,678	10%	\$38,769.99
	70-74		\$1,842,971	10%	\$2,631.39
	75-79		\$176,478	10%	\$251.98
Total			\$567,964,457		\$1,786,529.33
Total LTD Cost					\$9,316,528.99



**ADDENDUM REQUEST FOR
PROPOSAL
SHORT TERM DISABILITY AND LONG TERM DISABILITY INSURANCE
CITY OF AUSTIN, TEXAS**

RFP: JRD0306

Addendum No: 1

Date of Addendum: April 3, 2015

This addendum is to incorporate the following changes to the above-referenced solicitation.

1.0 A Conference Number has been established for the Pre-Bid for remote Proposers:

Pre-Bid Remote Conference Phone Number: **512-974-9300**
Enter the following Code when prompted: **042995**

2.0 ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

BY THE SIGNATURES affixed below, this Addendum is hereby incorporated into and made a part of the above-referenced Invitation for Bid.

APPROVED BY:

A handwritten signature in black ink, appearing to read "Jonathan Dalchau".

Jonathan Dalchau, Senior Buyer
Purchasing Office

4/3/2015
Date

ACKNOWLEDGED BY:

Solicitation Number: RFP JRD0306

Due Date & Time: 2:00 PM, Friday, April 24th, 2015.

Life Insurance Company of North America dba Cigna
Two Liberty Place, 1601 Chestnut Street
Philadelphia, PA 19192

Vendor Name

A handwritten signature in black ink, appearing to read "Scott Auer".

Authorized Signature

4/23/15
Date



**ADDENDUM
REQUEST FOR PROPOSAL
SHORT TERM DISABILITY AND LONG TERM DISABILITY INSURANCE
CITY OF AUSTIN, TEXAS**

RFP: JRD0306

Addendum No: 1

Date of Addendum: April 3, 2015

This addendum is to incorporate the following changes to the above-referenced solicitation.

1.0 A Conference Number has been established for the Pre-Bid for remote Proposers:

Pre-Bid Remote Conference Phone Number: **512-974-9300**

Enter the following Code when prompted: **042995**

2.0 ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

BY THE SIGNATURES affixed below, this Addendum is hereby incorporated into and made a part of the above-referenced Invitation for Bid.

APPROVED BY:

A handwritten signature in black ink, appearing to read "Jonathan Dalchau".

Jonathan Dalchau, Senior Buyer
Purchasing Office

4/3/2015

Date



**ADDENDUM
REQUEST FOR PROPOSAL
SHORT TERM DISABILITY AND LONG TERM DISABILITY INSURANCE
CITY OF AUSTIN, TEXAS**

RFP: JRD0306

Addendum No: 2

Date of Addendum: April 13, 2015

This addendum is to incorporate the following changes to the above-referenced solicitation.

1.0 Questions and Answers.

Q1: Can you provide the current Short Term Disability (STD) and Longer Term Disability (LTD) rates?

A1: The current STD rates are \$0.12 per \$100. The LTD rates can be found in Exhibit A.

Q2: Have the rates been the same over the last five years?

A2: The rates have been the same for the period 2011-2015 with the current carrier. 2010 LTD rates with the previous carrier were different.

Q3: Can you provide the endorsements for the current policy?

A3: Any endorsements are listed on the certificates provide in Exhibit B for LTD and Exhibit C for STD.

Q4: Can you provide an example of how the STD was calculated?

A4: See Exhibit F.

Q5: Does the City have a requested weekly maximum for the Alternate plan, or is it at our discretion?

A5: The maximum amount offered is left open for the potential contractor to propose to the City.

Q6: Can you provide a detailed list of all claims that includes date of birth, date of disability, net claims, gross benefit, Social Security offset amount, and individual reserves from Hartford for both STD and LTD?

A6: See additional claims reports. Not all requested information is available.

Q7: For LTD, can the City confirm that the plan is considered ERISA compliant?

A7: The plan is not subject to ERISA, however past contracts have been ERISA compliant with claims processing.

Q8: The RFP mentions Non-Duplication offset method/70% (Definitions section 2.4.4 of the 0500 – Scope of Work). This benefit is not shown in the LTD booklet. Can you please confirm if the LTD benefit is 60% direct offset?

A8: Offset for other income is detailed in the LTD certificate. If other income offset is 60% or greater carrier will pay monthly minimum of 10% or \$100 whichever is greater.



Q9: The RFP mentions that the City will determine who is considered a late entrant. What criteria are used to determine this and will the city allow the carrier to define the rule?

A9: Eligibility criteria are defined in 2015 Employee Benefits Guide. See page 3 for Changing Coverage and Qualifying Life Events.

Q10: For LTD, can you please provide lives, premium, volume and claims history, preferably on a month by month basis?

A10: See Exhibit E-2.

Q11: The City has requested backdoor integration, is the City open to a less expensive integration method for LTD?

A11: At this time, the City is not interested in a less expensive integration method. However, you may suggest an alternative in the proposal for the City to consider.

Q12: Can you please confirm employees participate in Social Security and this income is an offset for LTD coverage?

A12: Yes all employees except firefighters participate in Social Security. LTD benefits are offset by Social Security benefits.

Q13: Is it full family integrated for Social Security?

A13: Yes.

Q14: Do any employees participate in STRS/PERS and can this be an offset for disability coverage?

A14: The City requires that full-time employees participate in one of three separate retirement systems see page 57 of the 2015 Employee Benefits Guide.

Q15: Please provide any plan changes with Hartford?

A15: There has not been any plan changes with Hartford.

Q16: There are two rate grid exhibits provided (attachments 1 and 2) which appear to be the same. Can you please clarify the numbers?

A16: Attachment 0610-A is the current plan design. Attachment 0610-B is an alternate plan design. Note the revision to Attachment 0610-B.

Q17: RFP mentions a flash drive submission. Please confirm if it would be acceptable for the electronic response to be submitted on CD?

A17: A CD is acceptable to provide an electronic copy of the solicitation.



Q18: For the STD, Are there currently any employees that we would be covering that are in this category and are they listed on the census? For example the City Mayor, Members of Council and other such type of employees who have waived their salaries. What is the benefit for these employees and how is their benefit determined?

A18: We would expect to pay STD based on the planned salary for the individual as it would be paid if the individual received the salary from the City.

Q19: For the STD, can you please provide a detailed claims listing; monthly lives, premium, open/closed, and claims history, preferably since inception with HIG?

A19: Detailed claims information is not available. Additional claims information is provided in addendum.

Q20: For the STD, can you please provide lives and volume history?

A20: See enclosed Exhibit G.

Q21: It is unusual to see the benefit period being 60 days. STD benefits are typically reflected in weeks. Please confirm this reflects the equivalent of 12 weeks? (i.e. 60 days divided by a 5 day work week = 12 weeks.)

A21: We are asking for a 60 day benefits period.

Q22: In reference to the 0500 – Scope of Work, Section 2.3 – how do the Parental Leave (maximum 240 hours) and Leave Banks interact with STD? How do we determine the offset for parental leave and/or "leave blank" to trigger payment for the minimum disability benefit?

A22: City employees can only receive the minimum STD payment if they elect to use the Parental Leave or Leave Bank options.

Q23: Please provide a detailed description of how your current carrier calculates hours missed/paid when Disability is generally paid in terms of days/weeks?

A23: For STD benefits if an employee's elimination period ends on a Monday the current carrier will calculate their weekly benefit from Tuesday thru Monday. For LTD benefits the carrier will begin the monthly benefits after the elimination period and pay to the end of the month and then set up regular calendar month payments while meeting disability requirements.

Q24. Local business presence points is it points or a percentage?

A24. The percentage is used for subcontractors. If proposing company has an office located with the City corporate limits, they will receive 10 points.

Q25. Can provide timeline?

A25. The Purchasing and Human Resources Department anticipate recommending a contractor to City Council August 6. Vendors not being recommended will be notified by the Purchasing Office two weeks prior to the council meeting.



Q26. Should rates for extension options include a percentage of actual rates?

A26. Rate sheet should include the percentage increase maximum.

Q27. Do all three City of Austin retirement systems include disability retirement benefits?

A27. Yes. For additional information go to membership guides on the retirement websites listed on page 57 of 2015 Employee Benefits Guide.

Q28. Commissions – confirm the required commissions level, is it net?

A28. Any commissions are paid by the insurance company the City of Austin does not pay commissions nor do we require insurance companies to utilize brokers.

Q29. Is there any additional disability offset such as a State Disability Pension, etc.

A29. Please refer to the certificates regarding offsets.

2.0 Added Exhibit E2 – Claims History.

3.0 Added Exhibit F – Disability Calculation Example.

4.0 Added Exhibit G – Lives and Volume History.

5.0 ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

BY THE SIGNATURES affixed below, this Addendum is hereby incorporated into and made a part of the above-referenced Invitation for Bid.

APPROVED BY:

A blue ink signature of Jonathan Dalchau.

Jonathan Dalchau, Senior Buyer
Purchasing Office

4/13/2015
Date

ACKNOWLEDGED BY:

Cigna
Vendor Name

Scott Hard
Authorized Signature

4/23/15
Date

RETURN A COPY OF THIS ADDENDUM
to the Purchasing Office, City of Austin, Texas with your bid.
Failure to do so may constitute grounds for rejection of your bid.



**ADDENDUM
REQUEST FOR PROPOSAL
SHORT TERM DISABILITY AND LONG TERM DISABILITY INSURANCE
CITY OF AUSTIN, TEXAS**

RFP: JRD0306

Addendum No: 3

Date of Addendum: April 21, 2015

This addendum is to incorporate the following changes to the above-referenced solicitation.

1.0 Changes to the solicitation due dates as follows;

1.1 Proposal Closing Time and Date is changed to **3:00 pm, Wednesday, April 29, 2015**

2.0 Questions and Answers.

Q1: Can you provide the Long Term Disability (LTD) Open Claims list?

A1: Exhibit H has been added with a list of current LTD open claims.

3.0 Added Exhibit H – LTD Open Claims.

4.0 Added Exhibit I – STD Claims.

5.0 ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

BY THE SIGNATURES affixed below, this Addendum is hereby incorporated into and made a part of the above-referenced Invitation for Bid.

APPROVED BY:

A handwritten signature in blue ink, appearing to read "Jonathan Dalchau".

Jonathan Dalchau, Senior Buyer
Purchasing Office

4/21/2015
Date

ACKNOWLEDGED BY:

A handwritten signature in blue ink, appearing to read "Cigna".

Vendor Name

A handwritten signature in blue ink, appearing to read "Scott Anderson".

Authorized Signature

4/23/15
Date

RETURN A COPY OF THIS ADDENDUM
to the Purchasing Office, City of Austin, Texas *with your bid*.
Failure to do so may constitute grounds for rejection of your bid.

City of Austin, Texas
Section 0800
EQUAL EMPLOYMENT/FAIR HOUSING OFFICE
NON-DISCRIMINATION CERTIFICATION

City of Austin, Texas
Human Rights Commission

To: City of Austin, Texas, ("OWNER")

I hereby certify that our firm conforms to the Code of the City of Austin, Section 5-4-2 as reiterated below: Chapter 5-4. Discrimination in Employment by City Contractors, Sec. 4-2 Discriminatory Employment Practices Prohibited. As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations and agrees:

- (B)
- (1) Not to engage in any discriminatory employment practice defined in this chapter.
 - (2) To take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination being practiced against them as defined in this chapter. Such affirmative action shall include, but not be limited to: all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising; selection for training and apprenticeship, rates of pay or other form of compensation, and layoff or termination.
 - (3) To post in conspicuous places, available to employees and applicants for employment, notices to be provided by OWNER setting forth the provisions of this chapter.
 - (4) To state in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, national origin, sexual orientation, gender identity, disability, veteran status, sex or age.
 - (5) To obtain a written statement from any labor union or labor organization furnishing labor or service to Contractors in which said union or organization has agreed not to engage in any discriminatory employment practices as defined in this chapter and to take affirmative action to implement policies and provisions of this chapter.
 - (6) To cooperate fully with OWNER's Human Rights Commission in connection with any investigation or conciliation effort of said Human Rights Commission to ensure that the purpose of the provisions against discriminatory employment practices are being carried out.
 - (7) To require compliance with provisions of this chapter by all subcontractors having fifteen or more employees who hold any subcontract providing for the expenditure of \$2,000 or more in connection with any contract with OWNER subject to the terms of this chapter.

Confirmed. Compliance can be verified using the standard EEO-1.

For the purposes of this Offer and any resulting Contract, Contractor adopts the provisions of the City's Minimum Standard Nondiscrimination Policy set forth below.

City of Austin
Minimum Standard Non-Discrimination in Employment Policy:

As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations.

The Contractor will not discriminate against any applicant or employee based on race, creed, color, national origin, sex, age, religion, veteran status, gender identity, disability, or sexual orientation. This policy covers all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising, selection for training and apprenticeship, rates of pay or other forms of compensation, and layoff or termination.

Further, employees who experience discrimination, sexual harassment, or another form of harassment should immediately report it to their supervisor. If this is not a suitable avenue for addressing their complaint, employees are advised to contact another member of management or their human resources representative. No employee shall be discriminated against, harassed, intimidated, nor suffer any reprisal as a result of reporting a violation of this policy. Furthermore, any employee, supervisor, or manager who becomes aware of any such discrimination or harassment should immediately report it to executive management or the human resources office to ensure that such conduct does not continue.

Contractor agrees that to the extent of any inconsistency, omission, or conflict with its current non-discrimination employment policy, the Contractor has expressly adopted the provisions of the City's Minimum Non-Discrimination Policy contained in Section 5-4-2 of the City Code and set forth above, as the Contractor's Non-Discrimination Policy or as an amendment to such Policy and such provisions are intended to not only supplement the Contractor's policy, but will also supersede the Contractor's policy to the extent of any conflict.

Cigna Corporation is an equal opportunity employer and generally complies with the key federal regulations and executive orders relating to equal employment law compliance.

Cigna's continued success depends on our ability to attract, develop, and retain a diverse workforce of outstanding men and women, and we are committed to ensuring dignified treatment and a positive workplace for each of our employees.

Our policy is to ensure a workplace with equal opportunity and mutual respect for our employees. We continue to recruit, hire, assign, advance, pay, educate, and retain employees solely on the basis of their qualifications and contributions. Discrimination against, or harassment of any of our employees, including any unwelcome and offensive conduct, physical contact, requests, jokes, or comments related to gender, race, color, age, national origin, sexual orientation, gender identity, religion, veteran, disability, or marital status will not be tolerated. This policy applies not only to employees but also to clients, vendors, and visitors to any Cigna property. It also pertains to any company-sponsored event, in the course of job-related travel, and in the use of any Cigna communication, including written or electronic.

Employees who feel they are subjected to, or are aware of, discrimination or workplace harassment are asked to immediately notify management or HR. Retaliation for reporting concerns is prohibited and confidentiality will be maintained to the fullest extent possible. Managers should not tolerate inappropriate behavior and should promptly report any incident or complaint of discrimination or harassment to HR.

UPON CONTRACT AWARD, THE CONTRACTOR SHALL PROVIDE A COPY TO THE CITY OF THE CONTRACTOR'S NON-DISCRIMINATION POLICY ON COMPANY LETTERHEAD, WHICH CONFORMS IN FORM, SCOPE, AND CONTENT TO THE CITY'S MINIMUM NON-DISCRIMINATION POLICY, AS SET FORTH HEREIN, OR THIS NON-DISCRIMINATION POLICY, WHICH HAS BEEN ADOPTED BY THE CONTRACTOR FOR ALL PURPOSES (THE FORM OF WHICH HAS BEEN APPROVED BY THE CITY'S EQUAL EMPLOYMENT/FAIR HOUSING OFFICE), WILL BE CONSIDERED THE CONTRACTOR'S NON-DISCRIMINATION POLICY WITHOUT THE

REQUIREMENT OF A SEPARATE SUBMITTAL.

Understood.

Sanctions:

Our firm understands that non-compliance with Chapter 5-4 may result in sanctions, including termination of the contract and suspension or debarment from participation in future City contracts until deemed compliant with the requirements of Chapter 5-4.

Understood.

Term:

The Contractor agrees that this Section 0800 Non-Discrimination Certificate or the Contractor's separate conforming policy, which the Contractor has executed and filed with the Owner, will remain in force and effect for one year from the date of filing. The Contractor further agrees that, in consideration of the receipt of continued Contract payments, the Contractor's Non-Discrimination Policy will automatically renew from year-to-year for the term of the underlying Contract.

Understood.

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS
SOLICITATION NUMBER: RFP JRD0306**

The following Supplemental Purchasing Provisions apply to this solicitation:

1. **EXPLANATIONS OR CLARIFICATIONS:** (reference paragraph 5 in Section 0200)

All requests for explanations or clarifications must be submitted in writing to the Purchasing Office one (1) weeks prior to the bid opening date. Submissions may be made via email to jonathan.dalchau@austintexas.gov, or via fax at (512) 974-2388.

2. **INSURANCE:** Insurance is required for this solicitation.

A. **General Requirements:** See Section 0300, Standard Purchase Terms and Conditions, paragraph 32, entitled Insurance, for general insurance requirements.

- i. The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to contract execution and within 14 calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award
- ii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iii. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.
- iv. The Certificate of Insurance, and updates, shall be mailed to the following address:

City of Austin Purchasing Office
P. O. Box 1088
Austin, Texas 78767

B. **Specific Coverage Requirements:** The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.

- i. **Worker's Compensation and Employers' Liability Insurance:** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee.

(1) The Contractor's policy shall apply to the State of Texas and include these endorsements in favor of the City of Austin:

- (a) Waiver of Subrogation, Form WC420304, or equivalent coverage
- (b) Thirty (30) days Notice of Cancellation, Form WC420601, or equivalent coverage

- ii. **Commercial General Liability Insurance:** The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injury).

(1) The policy shall contain the following provisions:

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS
SOLICITATION NUMBER: RFP JRD0306**

- (a) Contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.
- (b) Contractor/Subcontracted Work.
- (c) Products/Completed Operations Liability for the duration of the warranty period.
- (d) If the project involves digging or drilling provisions must be included that provide Explosion, Collapse, and/or Underground Coverage.

(2) The policy shall also include these endorsements in favor of the City of Austin:

- (a) Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage
- (b) Thirty (30) days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage
- (c) The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage

iii. **Business Automobile Liability Insurance:** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident.

(1) The policy shall include these endorsements in favor of the City of Austin:

- (a) Waiver of Subrogation, Endorsement CA0444, or equivalent coverage
- (b) Thirty (30) days Notice of Cancellation, Endorsement CA0244, or equivalent coverage
- (c) The City of Austin listed as an additional insured, Endorsement CA2048, or equivalent coverage.

iv. **Professional Liability Insurance:** The Contractor shall provide coverage, at a minimum limit of \$1,000,000 per claim, to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission arising out of the performance of professional services under this Agreement.

- (a) If coverage is written on a claims-made basis, the retroactive date shall be prior to or coincident with the date of the Contract and the certificate of insurance shall state that the coverage is claims-made and indicate the retroactive date. This coverage shall be continuous and will be provided for 24 months following the completion of the contract.

C. **Endorsements:** The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.

3. TERM OF CONTRACT:

- A. The Contract shall be in effect for an initial term of thirty-six (36) months and may be extended thereafter for up to three (3) additional 12-month periods, subject to the approval of the Contractor and the City Purchasing Officer or his designee.
- B. Upon expiration of the initial term or period of extension, the Contractor agrees to hold over under the terms and conditions of this agreement for such a period of time as is reasonably necessary to re-solicit and/or complete the project (not to exceed 120 days unless mutually agreed on in writing).
- C. Upon written notice to the Contractor from the City's Purchasing Officer or his designee and acceptance of the Contractor, the term of this contract shall be extended on the same terms and conditions for an additional period as indicated in paragraph A above.

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS
SOLICITATION NUMBER: RFP JRD0306**

D. Prices are firm and fixed for the first twelve (12) months. Thereafter, price changes are subject to the Economic Price Adjustment provisions of this Contract.

4. **QUANTITIES:** The quantities listed herein are estimates for the period of the Contract. The City reserves the right to purchase more or less of these quantities as may be required during the Contract term. Quantities will be as needed and specified by the City for each order. Unless specified in the solicitation, there are no minimum order quantities.

5. **INVOICES and PAYMENT:** (reference paragraphs 12 and 13 in Section 0300)

A. Invoices shall contain a unique invoice number and the information required in Section 0300, paragraph 12, entitled "Invoices." Invoices received without all required information cannot be processed and will be returned to the vendor.

Invoices shall be mailed to the below address:

	City of Austin
Department	Human Resources Department
Attn:	Benefits Division
Address	P.O. Box 1088
City, State Zip Code	Austin, TX 78767-1088

B. The Contractor agrees to accept payment by either credit card, check or Electronic Funds Transfer (EFT) for all goods and/or services provided under the Contract. The Contractor shall factor the cost of processing credit card payments into the Offer. There shall be no additional charges, surcharges, or penalties to the City for payments made by credit card.

6. **NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING:**

A. On November 10, 2011, the Austin City Council adopted Ordinance No. 20111110-052 amending Chapter 2.7, Article 6 of the City Code relating to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures). During the No-Contact Period, Offerors or potential Offerors are prohibited from making a representation to anyone other than the Authorized Contact Person in the Solicitation as the contact for questions and comments regarding the Solicitation.

B. If during the No-Contact Period an Offeror makes a representation to anyone other than the Authorized Contact Person for the Solicitation, the Offeror's Offer is disqualified from further consideration except as permitted in the Ordinance.

C. If an Offeror has been disqualified under this article more than two times in a sixty (60) month period, the Purchasing Officer shall debar the Offeror from doing business with the City for a period not to exceed three (3) years, provided the Offeror is given written notice and a hearing in advance of the debarment.

D. The City requires Offerors submitting Offers on this Solicitation to certify that the Offeror has not in any way directly or indirectly made representations to anyone other than the Authorized Contact Person during the No-Contact Period as defined in the Ordinance. The text of the City Ordinance is posted on the Internet at: <http://www.ci.austin.tx.us/edims/document.cfm?id=161145>

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS
SOLICITATION NUMBER: RFP JRD0306**

7. ECONOMIC PRICE ADJUSTMENT:

A. **Price Adjustments:** Prices shown in this Contract shall remain firm for the first thirty-six (36) months of the Contract. After the first thirty-six (36) month period, the Contractor will consider pricing listed on Section 0610-A – Current Plan Design Rate Sheet or Section 0610-B – Alternate Plan Design Rate Sheet for the adjustment of rates for the remaining three (3) twelve (12) month options.

B. **Price Increases:**

- i. Requests for price increases must be made in writing and submitted to the appropriate Buyer in the City's Purchasing Office. **Price increase will include a detailed executive overview with supporting reports and analysis.**
- ii. Requests for price increases must be made in writing and submitted to the appropriate Contract Manager prior to each yearly anniversary date of contract. Prices will only be considered for an increase at that time. Once received, the City will have sixty (60) calendar days to review and approve/disapprove the requested increase. Should the City not agree with the requested increase, Contractor may either maintain the prices currently in effect, negotiate an acceptable increase with the City or terminate the Contract.
- iii. Since the perceived need for price increases may be due in whole or in part to factors other than index changes, the City may consider approving fully-documented increase requests which, in the Contractor's opinion, justify price increases for one or more line items in the contract. If index changes are responsible in part for the requested change, those changes shall be documented as previously described above.

C. **Price Decreases:**

- i. Proposed price decreases may be offered to the City at any time, and become effective upon acceptance by the City unless a different effective date is specified by the Contractor. Price decrease offers may also be subject to negotiation.
- ii. Price decreases based on relevant factors may be requested by the City at any time. Such requests shall be accompanied by a complete statement of the City's justification for the request. The Contractor shall have 60 calendar days to respond to the City's request. Should the Contractor not agree with the requested decrease, the City may either maintain the prices currently in effect, negotiate with the contractor, or terminate the Contract.

8. INTERLOCAL PURCHASING AGREEMENTS: (applicable to competitively procured goods/services contracts).

- A. The City has entered into Interlocal Purchasing Agreements with other governmental entities, pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Contractor agrees to offer the same prices and terms and conditions to other eligible governmental agencies that have an interlocal agreement with the City.
- B. The City does not accept any responsibility or liability for the purchases by other governmental agencies through an interlocal cooperative agreement.

**CITY OF AUSTIN
PURCHASING OFFICE
SUPPLEMENTAL PURCHASE PROVISIONS
SOLICITATION NUMBER: RFP JRD0306**

9. **CONTRACT MANAGER:** The following person is designated as Contract Manager, and will act as the contact point between the City and the Contractor during the term of the Contract:

Lisa Herrera

Phone: 512-974-3316

Email: Lisa.Herrera@austintexas.gov

*Note: The above listed Contract Manager is not the authorized Contact Person for purposes of the **NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING Provision** of this Section; and therefore, contact with the Contract Manager is prohibited during the no contact period.

**CITY OF AUSTIN
SCOPE OF WORK
SHORT TERM DISABILITY AND LONG TERM DISABILITY INSURANCE
SOLICITATION NUMBER: RFP JRD0306**

1. PURPOSE

The City of Austin, hereinafter referred to as the "City," seeks Proposals from carriers to provide fully-insured Short Term Disability (STD) and Long Term Disability (LTD) insurance coverage for City eligible employees, and employees of Affiliated Employers, hereinafter referred to as "Covered Persons" commencing on January 1, 2016.

2. BACKGROUND

The City provides access to benefit programs to Covered Persons. The City's benefit plan year is January 1 to December 31. Open Enrollment begins mid-October and ends mid-November of each year. The Hartford is the current STD and LTD carrier. The current contract began January 1, 2011 and will end December 31, 2015.

2.1. As of January, 2015, 11,960 employees participate in the STD program, which includes 1,737 sworn Police, 449 sworn EMS and 1,021 sworn Fire employees. STD insurance is a fully insured product paid by the City for all regular budgeted employees scheduled to work 20 or more hours per week.

2.2. As of January, 2015, 8,661 employees participate in the LTD program. LTD insurance is a fully insured product paid by an employee scheduled to work 20 or more hours per week and enrolled in the benefit.

2.3. Effective October 1, 2013, the City began providing two additional leave programs which reduced the number and amount paid out for STD claims for non-sworn employees.

2.3.1. Parental Leave – is available for employees who qualify for FMLA for the birth of a child. The maximum amount of parental leave is 240 hours. Employees receiving this benefit only receive the minimum disability benefit.

2.3.2. Leave Bank – is available for employees who qualify for FMLA and do not have enough accrued leave to get them through an illness, accident, or unexpected FMLA event. Employees receiving this benefit only receive the minimum disability benefit.

2.4. Definitions:

2.4.1. **Actively At Work** – The City considers actively at work to mean that the Employee is: 1) Physically present at his or her customary place of employment with the intent and ability of working the scheduled hours and doing the normal duties of his or her job on that day; or 2) On sick leave, vacation leave, family medical leave, or an approved leave of absence.

2.4.2. **Affiliated Employers** – Are the City of Austin Employees' Retirement System, the Austin Fire Fighters Relief and Retirement Fund, and the City of Austin Police Retirement System.

2.4.3. **Agreement** – The document that describes the contractual obligation between the City and the Contractor.

2.4.4. **Back Door Integration** – An indirect benefit for LTD that may provide a higher percentage of income after the Deductible Income and the dependent's Social Security. The benefit amount cannot exceed 70% of Pre-Disability Earnings.

2.4.5. **Certificate** – The document mutually agreed upon by the parties which details the coverage and is provided to Covered Persons.

2.4.6. **Covered Persons** – City of Austin employees working in regular budgeted positions and employees of Affiliated Employers.

2.4.7. **Dedicated Customer Service Unit** – Dedicated staff that is assigned to the City of Austin account, has the disability expertise, and understands the uniqueness of the City's eligibility and claims processes.

CITY OF AUSTIN
SCOPE OF WORK
SHORT TERM DISABILITY AND LONG TERM DISABILITY INSURANCE
SOLICITATION NUMBER: RFP JRD0306

- 2.4.8. **Deductible Income** – Reduced income earned from employment or income earned from other sources such as Social Security, Workers' Compensation, Retirement or disability benefits received from other employer-sponsored plans.
- 2.4.9. **Employee Work Week** – The City of Austin's work weeks are as follows: Part-time Employees – 20 to 29 hours per week; Full-time Employees – 30 or more hours per week; Emergency Medical Services (EMS) – up to 48 hours per week; and Firefighters – up to 53 hours per week. The Contractor will base benefits on the employee's work week.
- 2.4.10. **Policy** – The document provided to the Employer that describes the terms and conditions of coverage.
- 2.4.11. **Pre-Disability Earnings** – The employee's base salary on the day before the disability began. Employee base salary does not include any overtime earnings, stipends, or incentives.
- 2.4.12. **Pre-existing Condition** – A disease or injury which in the 3 months before the date employee became covered was: diagnosed or treated; or services were received for the disease or injury; or employee took drugs or medicines prescribed or recommended by a physician for that condition.
- 2.4.13. **Return-to-Work Provision** – An additional incentive provided for a period of time to encourage disabled employees to return to work. The insured can receive up to 100 percent of Pre-Disability Earnings, based on a combination of disability benefits and return to work earnings, under this provision.
- 2.4.14. **Work Earnings** – The amount earned by an employee returning to work but less than the Pre-Disability Earnings.

3. SCOPE OF WORK

- 3.1. **Title of Programs:** City of Austin STD and LTD Insurance Programs.
- 3.2. **Objective:** To contract with a vendor to provide the City with a comprehensive, cost-effective, fully insured integrated STD and LTD program. The initial term of the contract shall be a thirty six (36) month period with three (3) 12-month extension options.
- 3.3. **General Requirements:** Proposal for a fully insured STD and LTD disability program shall include all Covered Persons. The disability products shall be an integrated approach with one insurance company providing STD and LTD.
- 3.4. **General Information:**
 - 3.4.1. The City shall accept Proposals from insurance companies, insurance agents and brokers. Insurance companies are not required to have a broker represent them; the City may contract directly with an insurance company.
 - 3.4.2. Broker's fees/commissions are at the Contractor's expenses.
- 3.5. **Program Coverage Requirements:**
 - 3.5.1. **STD Description of Coverage:**
 - 3.5.1.1. Coverage is for off-the-job disabilities only.
 - 3.5.1.2. The waiting period is 30 days for disability caused by Illness, Injury, or Pregnancy.
 - 3.5.1.3. The benefit payout period is up to 60 days after the waiting period is completed.
 - 3.5.1.4. Periods of partial disability will not count toward completion of the Benefit Waiting Period.
 - 3.5.1.5. There is no Pre-existing Condition clause for STD coverage.

**CITY OF AUSTIN
SCOPE OF WORK
SHORT TERM DISABILITY AND LONG TERM DISABILITY INSURANCE
SOLICITATION NUMBER: RFP JRD0306**

3.5.2. Benefit Amount:

- 3.5.2.1. The maximum weekly benefit is 70% of Pre-Disability Earnings, up to \$1,200.
- 3.5.2.2. Employee's maximum benefit is reduced by Deductible Income.
- 3.5.2.3. The minimum weekly benefit is \$15.
- 3.5.2.4. Coverage includes Return-to-Work Provisions. This provision is a combined total of disability benefits and Work Earnings not to exceed 100% of Pre-Disability Earnings.
- 3.5.2.5. The normal benefit payout period for Routine Child Birth Delivery will be a minimum of 14 calendar days or 10 business days, unless the doctor determines a longer benefit period is medically necessary.
- 3.5.2.6. The normal benefit payout period for a C-Section Child Birth Delivery will be a minimum of 28 calendar days or 20 business days, unless the doctor determines a longer benefit period is medically necessary.
- 3.5.2.7. The Contractor will pay the City's share of Social Security and Medicare taxes, file quarterly 941 statements, and prepare any and all year end filings as required by federal or state laws.

3.5.3. LTD Description of Coverage:

- 3.5.3.1. Coverage is for on and off-the-job disabilities.
- 3.5.3.2. The waiting period is 90 days for disability caused by Illness, Injury or Pregnancy.
- 3.5.3.3. The benefit payout period is until the Covered Person is no longer deemed disabled, no longer qualifies for LTD, or reaches age 65, whichever comes first.
- 3.5.3.4. Periods of partial disability may count toward completion of the Benefit Waiting Period.
- 3.5.3.5. There is no coverage for any Pre-existing Conditions until the earlier of 12-months of continuous coverage or 6-months without treatment of the conditions. Employees should not suffer a loss or gain of coverage due to a change in disability vendor.
- 3.5.3.6. The Contractor agrees to waive employee LTD premiums once the employee is approved for LTD.

3.5.4. Benefit Amount:

- 3.5.4.1. The maximum monthly benefit shall be 60% of Pre-Disability Earnings, up to \$7,500.
- 3.5.4.2. Employee's maximum benefit will be reduced by Deductible Income.
- 3.5.4.3. The maximum benefit period is determined by claimant's age when disability begins:

If the period of total disability starts prior to the date employee reaches age 62, it will end with the calendar month in which employee reaches age 65.

If employee's period of disability starts on or after the date they reach age 62, it will end with the expiration of the number of months of total disability, after the waiting period is met, as figured from the following schedule:

Maximum Benefit Period	
Age When Disability Begins	Maximum Benefit Period
Age 62 or under	The employee's 65 th birthday or the date the 42 nd Monthly Benefit is payable, if later.
Age 63	The date the 36th Monthly Benefit is payable.
Age 64	The date the 30th Monthly Benefit is payable.
Age 65	The date the 24th Monthly Benefit is payable.
Age 66	The date the 21st Monthly Benefit is payable.
Age 67	The date the 18th Monthly Benefit is payable.
Age 68	The date the 15th Monthly Benefit is payable.
Age 69 or older	The date the 12th Monthly Benefit is payable.

**CITY OF AUSTIN
SCOPE OF WORK
SHORT TERM DISABILITY AND LONG TERM DISABILITY INSURANCE
SOLICITATION NUMBER: RFP JRD0306**

- 3.5.4.4. The amount paid to a disabled employee, including any combination of workers' compensation benefits, wage continuation benefits, sick leave, personal leave and wages for work performed, will not exceed the Pre-Disability Earnings which they would have received for such a period at their regular hours and rate of pay, except for the minimum listed below.
- 3.5.4.5. The minimum benefit is the greater of (a) \$100; or (b) 10% of the maximum monthly benefit unreduced by Deductible Income, whichever is greater.
- 3.5.4.6. Eligible employees who are Police Officers or Firefighters receive one year of paid leave for on-the-job injuries. However, if eligible, they could receive the minimum monthly benefit.
- 3.5.4.7. Coverage includes Return-to-Work Provisions. This provision is a combined total of disability benefits and Work Earnings not to exceed 100% of Pre-Disability Earnings.

3.6. Effective Dates and Termination Dates of Coverage Requirements:

3.6.1. STD:

- 3.6.1.1. The Group Policy's effective date is January 1, 2016.
- 3.6.1.2. Coverage is effective on the first day of employment for all newly hired employees who are in a regular budgeted position and are scheduled to work 20 or more hours per week on their first day of employment.
- 3.6.1.3. Coverage is terminated at the end of the pay period in which employees terminate or retire. If an employee becomes disabled while an active employee, the fact that they terminate employment with the City will not affect an eligible claim.

3.6.2. LTD:

- 3.6.2.1. The Group Policy's effective date is January 1, 2016.
- 3.6.2.2. Coverage for newly hired eligible employees is effective on their first day of employment.
- 3.6.2.3. When electing coverage due to an IRS qualifying event, coverage begins the first day of the following pay period.
- 3.6.2.4. When terminating coverage due to an IRS qualifying event, coverage ends on the last day of the pay period.
- 3.6.2.5. When adding LTD during annual open enrollment coverage is effective January 1.
- 3.6.2.6. When terminating employment with the City, coverage for a Covered Person, who is not receiving LTD benefits, ends on the last day of the pay period.
- 3.6.2.7. If an employee becomes disabled while an active employee, the fact that they terminate employment with the City will not affect an eligible claim.

3.7. Eligibility Requirements:

- 3.7.1. The Contractor shall agree to abide by the City's policies and procedures regarding eligibility and effective dates for all Covered Persons. **Refer to Exhibit A, 2015 Employee Benefits Guide.**
- 3.7.2. The City reserves the right to determine if a participant is considered a late entrant.
- 3.7.3. The Contractor shall agree to the City's definition of Actively at Work, as defined in 2.4.1.
- 3.7.4. The Contractor shall agree that all regular employees who are scheduled to work 20 or more hours per week are eligible to participate.
- 3.7.5. The City determines eligibility during the contract period. The City only allows employees to choose LTD coverage during:
 - 3.7.5.1. Annual Open Enrollment, regardless of their current enrollment.
 - 3.7.5.2. Within 31 days of employment.
 - 3.7.5.3. In conjunction with a mid-year IRS qualifying event.

**CITY OF AUSTIN
SCOPE OF WORK
SHORT TERM DISABILITY AND LONG TERM DISABILITY INSURANCE
SOLICITATION NUMBER: RFP JRD0306**

- 3.7.6. The Contractor shall agree to provide STD benefits to the City's Mayor, City Council, and/or employees who have waived their salaries.

3.8. Transition and Implementation Requirements:

- 3.8.1. Within thirty (30) days of the contract being awarded, the Contractor shall meet with the City to finalize the plan design, administrative procedures, and expectations.
- 3.8.2. Within thirty (30) days of the meeting referenced in 3.8.1, the Contractor shall provide the City with at least five copies of an administrative manual detailing the plan design, administrative procedures, and expectations as agreed upon during the meeting.
- 3.8.3. The Contractor shall provide training and education for appropriate City staff (approximately 10 employees) concerning all facets of program administration.
- 3.8.4. The Contractor shall provide the City staff with all materials and communications for review and approval prior to distribution.
- 3.8.5. The Contractor shall meet with the City concerning reporting responsibilities, and financial responsibilities within (30) days of the contract being awarded.
- 3.8.6. The Contractor shall provide certificates in paper and PDF format, to the City at no additional cost, within (30) days of completion of certificate, but no later than 30 days after both the City and Contractor agree on an approved certificate. The initial supply shall be 350 STD certificates and 200 LTD certificates. Additional certificates shall be provided at the City's request.
- 3.8.7. The Contractor must be fully operational including ability to verify benefits and process claims as of 12:01 a.m. January 1, 2016.

3.9. Customer Service Requirements:

- 3.9.1. The Contractor shall respond to telephone calls and electronic mail from City staff or employees within one business day.
- 3.9.2. The Contractor shall provide secured email portal for confidential transactions.
- 3.9.3. With regard to LTD claims, the Contractor shall assist an employee with the initial Social Security Disability Application process.
- 3.9.4. The Contractor's customer service shall include, at a minimum: claims inquiries, problem resolution, and education of the plan.
- 3.9.5. The Contractor shall provide dedicated staff to process City's STD and LTD claims.

3.10. Claims Processing and Payment Requirements:

- 3.10.1. The Contractor shall maintain accurate payment processing for completed and approved disability claims.
- 3.10.2. The Contractor shall pay disability claims within five (5) business days after receiving a clean claim.
- 3.10.3. The Contractor shall not require a claim to be filed and denied through STD in order for an LTD determination to be made.
- 3.10.4. In the case of a City employee injured on an outside part-time job, the Contractor shall coordinate between the part-time employer to pay up to the benefit allowance.

CITY OF AUSTIN
SCOPE OF WORK
SHORT TERM DISABILITY AND LONG TERM DISABILITY INSURANCE
SOLICITATION NUMBER: RFP JRD0306

- 3.10.5. The Contractor shall be able to expedite claims based on special requests from City staff.
- 3.10.6. The Contractor shall not require that the City verify what type of earnings the employee is receiving (i.e. sick/vacation leave) during the 30-day waiting period. Employees using sick and/or vacation time during their 30-day waiting period will not be penalized.
- 3.10.7. Once approved for disability, the Contractor shall allow an employee to work a minimum of 6-months before a new waiting period applies. Should the employee return to work and then has a relapse of their condition causing them to miss additional work, the STD minimum will be 15 days.
- 3.10.8. The employee has 60 days from the date of disability to file a STD claim unless the employee is unable to file.
- 3.10.9. The employee has 180 days from the date of disability to file a LTD claim unless the employee is unable to file.
- 3.10.10. The City requires a seamless transition between short and long term disability claims.
- 3.10.11. The Contractor shall provide City Benefits staff access to view online status of claims.
- 3.11. **Reporting Requirements:**
 - 3.11.1. The Contractor shall provide quarterly and year end reports within 60 days after a reporting period.
 - 3.11.2. The Contractor shall provide the City with the ability to produce reports online.
 - 3.11.3. At a minimum, the reports shall include but not limited to the following information:
 - 3.11.3.1. STD Reports:
 - a) Claim Number
 - b) Claimant Name
 - c) Initial Disability Date
 - d) Claim Receipt Date
 - e) Clean Claim Date
 - f) Initial Payment Date
 - g) Notification Date
 - h) Total Benefit Paid (Cumulative balance)
 - i) Employer Taxes
 - j) Net Total Payment (Cumulative balance)
 - 3.11.3.2. LTD Reports:
 - a) Claim Count by diagnosis category Quarterly
 - b) Premium Totals with Claims and Loss Ratio
 - c) Average Claim Duration
 - d) Claim Count broken out by Open, Pending, Closed
 - e) Claim Count Distribution
 - f) Percent of Closed Claims
 - g) Claim Count by Diagnosis
 - h) Paid Benefits and Reserves by Diagnosis
 - i) Claim Count by Age/Gender
 - j) Claim Count by Length of Service
 - k) Claim Count by Salary
 - l) Claim Count by Department
 - m) Social Security Approval Rates

**CITY OF AUSTIN
SCOPE OF WORK
SHORT TERM DISABILITY AND LONG TERM DISABILITY INSURANCE
SOLICITATION NUMBER: RFP JRD0306**

3.12. Federal, State and Local Law and related Requirements:

- 3.12.1. The Contractor shall administer the plan in strict compliance with federal, state and local laws.
- 3.12.2. All coverage provided shall ensure compliance with the Federal Family and Medical Leave Act of 1993. Specifically, the coverage certificate shall allow participants to continue coverage while on Family Medical Leave. Reinstatement of coverage upon the participant's return from leave without any exclusions or limitations will be required.
- 3.12.3. City of Austin personnel policies and procedures will govern over the Contractor's administrative procedures.
- 3.12.4. The Contractor shall notify the City of changes in law, regulations, or other requirements that affect the disability plans offered by the City within 30 days of enactment.
- 3.12.5. The Contractor shall provide assurance of its compliance with HIPAA rules and regulations and that it will comply with Section 0640 – HIPAA Business Associate Agreement.

**CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
SOLICITATION NUMBER: RFP JRD0306**

1. Proposal Format:

Submit one original, five (5) paper copies and one electronic version of the Proposal. The original Proposal shall contain original signatures. Proposals shall be typed on standard paper and have consecutively numbered pages. Proposals shall be organized in the following format and information sequence. Use tabs to divide each part of your Proposal and include a Table of Contents. Proposers shall provide all details in the Proposal as required in the Section 0500 - Scope of Work and any additional information you deem necessary to evaluate your Proposal.

Tab 1 – Executive Summary:

Provide an Executive Summary of three (3) pages or less, which gives in brief concise terms, a summation of the Proposal.

The Executive Summary shall include:

- A. Organization chart of the team servicing this Agreement, including contact information;
- B. Years in business;
- C. Summary of your company's history and experience;
- D. Your organization's ability to exceed the performance of other vendors in relation to:
 - Cost
 - Financial strength
 - Demonstrated level of product integration
 - Claims administration
 - Customer service

The Executive Summary shall also address your organization's commitment to serving the City of Austin's needs relative to the needs of your other clients.

Tab 2 – Authorized Negotiator/Authority to Bind:

Include name, mailing address, email address, and telephone number of the officer or other representative in your organization authorized to negotiate and execute binding contract terms.

Tab 3 – City of Austin Purchasing Documents:

Complete and submit the following documents:

- A. Offer and Award Sheet
- B. Section 0605 - Local Business Presence Identification Form
- C. Section 0835 - Non-Resident Bidder Provisions

Tab 4 – General Requirements and Information:

Restate the General Requirement in 3.3 of Section 0500 - Scope of Work and General Information in 3.4 of Section 0500 - Scope of Work and confirm acceptance of the requirements.

Tab 5 – Program Coverage Requirements:

Tab 5(A): Restate all of the Program Coverage Requirements in 3.5 of Section 0500 - Scope of Work and confirm acceptance of each requirement.

Tab 5(B): The City is requesting Proposals for a higher STD weekly and LTD monthly Maximum Benefit than the current \$1,200 and \$7,500. Complete the Attachment 0610-B - Alternate Plan Design Rate Sheet. In addition, attach a plan description with each alternate rate sheet.

Tab 6 – Effective Dates and Termination Date of Coverage Requirements:

Restate the Effective Dates and Termination Dates of Coverage requirements in 3.6 of Section 0500 - Scope of Work and confirm acceptance of each requirement.

**CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
SOLICITATION NUMBER: RFP JRD0306**

Tab 7 – Eligibility Requirements:

Restate the Eligibility Requirements in 3.7 of Section 0500 - Scope of Work and confirm acceptance of each requirement.

Tab 8 – Transition and Implementation Requirements:

Restate the Transition and Implementation Requirements in 3.8 of Section 0500 - Scope of Work and confirm acceptance of each requirement.

Tab 9 – Customer Service Requirements:

Tab 9 (A): Restate Customer Service Requirements in 3.9 of Section 0500 - Scope of Work and provide and/or confirm acceptance of each requirement.

Tab 9 (B):

- A. Provide an organization chart of your Customer Service team (including company decision makers). Detail the role and years of experience of the account representative on the contract.
- B. Provide the names of the claims analysts that will be assigned to the City; their direct contact numbers; their direct e-mail addresses, and their years of experience in handling STD and LTD claims.
- C. Complete Section 0615 - Customer Service/Claims Information.

Tab 10 – Claims Processing and Payment Requirements:

Restate Claims Processing and Payment Requirements in 3.10 of Section 0500 - Scope of Work and confirm acceptance of each requirement.

Tab 11 – Reporting Requirements:

Tab 11(A): Restate Reporting Requirements in 3.11 of Section 0500 - Scope of Work and provide and confirm acceptance of each requirement.

Tab 11(B): Provide a listing, description, and examples of management reports provided on monthly, quarterly, semi-annual and annual basis as described in this section.

Tab 12 – Federal, State and Local Law and related Requirements:

Tab 12(A): Restate federal, state and local law and related requirements in 3.12 of Section 0500 - Scope of Work and confirm acceptance of each requirement.

Tab 12(B): Complete Section 0640 - HIPAA Business Associate Agreement.

Tab 13 – Performance Measures:

Complete Section 0670 - Disability Performance Measures.

Confirm acceptance of each performance measure. Any exceptions to the proposed language in Section 0670 - Disability Performance Measures and Guarantees shall be clearly marked. Please state alternative language along with the business need for the alternative language.

Indicate if the requested liquidated damages and payout timeline is acceptable and if not, indicate what is acceptable.

List and provide additional performance guarantees provided to your clients along with acceptable liquidated damages.

**CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
SOLICITATION NUMBER: RFP JRD0306**

Tab 14 – Commercial and Legal Contract Terms Requirements:

Review and state acceptance of each contract term in Section 0630 - Commercial Legal Contract Terms and confirm acceptance of each requirement.

An authorized agent with the AUTHORITY TO BIND IN CONTRACT shall provide a signature on Section 0630 - Commercial Legal Contract Terms indicating agreement with these contract requirements.

The City and the Proposer(s) successfully making the short list of all Proposals will agree to mutually acceptable contract terms during the Best and Final Offer period. Time will be of the essence during the Best and Final Offer period. Successful Proposers(s) will be required to assemble the necessary employees (Representative with AUTHORITY TO BIND IN CONTRACT, Legal, Financial, etc.) together, during the Best and Final Offer period, tentatively scheduled for 5/3/15 through 6/11/15, to render binding decisions on contract matter.

Because time is of the essence, major objections to these standard contract terms by the recommended Proposer may result in termination of contract negotiations and the City choosing to move forward with negotiations with the next best Proposer. The City anticipates the Contractor to sign an Agreement with the City for providing vision coverage within 30 days upon award approval by City Council. The minimum Commercial and Legal Contract Terms Requirements described above will be incorporated into a final Agreement for these services.

Tab 15 – Order of Precedence Requirements:

Restate the Order or Precedence Requirements listed below and confirm acceptance of this requirement.

The documents listed below, contain the obligations, project specifications, terms and conditions of the Contract between the parties. In the event of a conflict between any of the provisions governing this project, any inconsistency shall be resolved by giving precedence in the following order:

- A. The agreement between the City and Contractor
- B. RFP NO. JRD0306
- C. The Contractor's proposal, Clarification Statement, and Best and Final Offer

Tab 16 – Business Organization Requirements:

Tab 16(A): Provide a copy of applicable State of Texas licenses.

Tab 16(B): Complete Section 0635 - Business Organization.

Tab 17 – Exceptions to the Proposal:

The Proposer shall clearly indicate each exception taken and indicate the alternative language along with the business need for the alternative language. The failure to identify exceptions or proposed changes with a full explanation will constitute acceptance by the Proposer of the Solicitation as proposed by the City. The City reserves the right to reject a Proposal containing exceptions, additions, qualifications or conditions not called for in the Solicitation.

Tab 18 – Public Sector References and Relevant Experience:

Provide a list of five (5) references on Section 0700 - References for the City of Austin to contact about your performance including contact name, and telephone number. In addition, include a list of all public sector clients. Identify public sector clients which have 5,000 or more employees. Provide a list of large employer groups with over 10,000 employees.

**CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
SOLICITATION NUMBER: RFP JRD0306**

Tab 19 – Personnel:

Tab 19(A): Identify key persons, and their title, who will be assigned to the City of Austin and include the following:

- A. List the number of clients they are responsible for
- B. Indicate percentage of time they will be allocated to the City of Austin
- C. Office location
- D. Resumes
- E. Indicate professional licensure or membership

Tab 19(B): Provide a general explanation and chart which specifies project leadership and reporting responsibilities; and interface the team with City project management and team personnel. If use of subcontractors is proposed, identify their placement in the primary management structure, and provide internal management description for each subcontractor.

Tab 20 – Client Requirements:

Provide samples of all items your company requires of a client (e.g. group application).

Tab 21 – Rates and Premium Requirements and Cost Proposal:

Tab 21(A): Restate the Rates and Premium Requirements listed below and confirm acceptance of each requirement.

- A. The Contractor shall guarantee rates for the initial thirty-six (36)-month period regardless of actual enrollment and volume changes.
- B. The Contractor shall provide guaranteed rates or maximum percentage rate caps for the three (3)12-month extension option periods regardless of actual enrollment and volume changes.
- C. Maximum Percentage Rate Caps. In order for the City to prepare its future budgets, preliminary rates shall be completed and submitted to the City by February 15th of each year for the following plan year. Final rates for the following plan year may be submitted no later than March 15th of each year (i.e. final rates for 2018 submitted by March 15, 2017).
- D. The Contractor agrees that all costs for requirements listed in this RFP, shall be included as part of the Contractor's basic premium; and inclusive of labor, materials, supplies, printing, travel and all costs and fees including administrative burden for providing disability insurance programs.
- E. The Contractor shall not change benefits or rates for the term of this contract without prior City approval. Any changes recommended for any renewal period may be approved and agreed upon in advance and in writing by the City.
- F. The City will calculate monthly premiums for disability insurance. The City's determination of eligible Covered Persons for which payment will be made, will be based on coverage the 1st of each month.
- G. The City's payment will be made by check no later than the last day of the following month for which payment is being made. The City's payment will be considered made on the payment postmark date.

Tab 21 (B): Cost Proposal

- A. Complete and submit Attachment 0610-A - Current Plan Design Rate Sheet.
- B. If proposing an alternate plan, complete and submit Attachment 0610-B - Alternate Plan Design Rate Sheet.

Rates as agreed upon by both parties shall be firm and guaranteed regardless of actual enrollment per plan year for all STD and LTD disability insurance services provided under the contract. Monthly rates must be evenly divisible by two (2).

If costs for these services are not submitted on Attachment 0610-A - Current Plan Design Rate Sheet, then the Proposal may be deemed nonresponsive to the cost/rates requirement of the RFP.

**CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
SOLICITATION NUMBER: RFP JRD0306**

- A. The Contractor is required to determine the STD rate and annual premium based upon 70% of the City's total annual Pre-Disability Earnings.
 - B. LTD rates are based on 100% annual Pre-Disability Earnings.
 - C. The rates shall include the City of Austin's share of Social Security and Medicare taxes. All City of Austin employees, except civil service firefighters, pay into Social Security.
 - D. The Contractor agrees to waive employee LTD premiums once the employee is approved for LTD.
 - E. The Contractor shall quote rates out to no more than three (3) decimal points and must be evenly divisible by two.
2. **Proposal Acceptance Period:** All Proposals are valid for a period of one hundred and eighty (180) calendar days subsequent to the RFP closing date unless a longer acceptance period is offered in the Proposal.
3. **Proprietary Information:** All material submitted to the City becomes public property and is subject to the Texas Open Records Act upon receipt. If a Proposer does not desire proprietary information in the Proposal to be disclosed, each page may be identified and marked proprietary at time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information may be disclosed, however, lies with the Texas Attorney General. Failure to identify proprietary information will result in all unmarked sections being deemed non-proprietary and available upon public request.
4. **Proposal Preparation Cost:** All costs directly or indirectly related to preparation of a response to the RFP or any oral presentation required to supplement and/or clarify a Proposal which may be required by the City shall be the sole responsibility of the Proposer.
5. **Evaluation Factors and Award:**
 - A. **Competitive Selection:** This procurement will comply with applicable City of Austin Policy. The City, on a rational basis, will select the successful Proposer. Evaluation factors outlined in Paragraph (B) below shall be applied to all eligible, responsive Proposers in comparing Proposals and selecting the successful Proposer. Award of a contract may be made without discussion with Proposers after Proposals are received. Proposals should, therefore, be submitted on the most favorable terms.
 - B. **Evaluation Factors: Maximum 100 points.**

All Proposals will be evaluated based on the following criteria and rankings.

 - i. Business Organization, Insurance company experience, Financial Ratings, Personnel Qualifications and Prior Experience. **(15 points)**
 - ii. Scope of Work: Responsiveness to RFP Requirements and all Contract Terms, provisions including Commercial and Legal Contract Terms described in **Section 0630** - Commercial Legal Contract Terms of the Solicitation and willingness to adhere to Proposal format required in the RFP. **(45 points)**
 - iii. Cost/Rates Proposed: Proposer with the lowest cost/rates proposed to the City and for the employees is given the maximum points; percentage ratio formula is applied to remaining Proposers. **(30 points)**

**CITY OF AUSTIN
PURCHASING OFFICE
PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
SOLICITATION NUMBER: RFP JRD0306**

iv. Local Business Presence:

(Maximum 10 points)

Team's Local Business Presence	Points Awarded
Local business presence of 90% to 100%	10
Local business presence of 75% to 89%	8
Local business presence of 50% to 74%	6
Local business presence of 25% to 49%	4
Local presence of between 1 and 24%	2
No local presence	0

- v. Optional Interviews: The City will score Proposals on the basis of items 1-4 above. The City may select a "short list" of Proposers based on those scores. "Short-listed" Proposers may be invited for interviews with the City.

Additional Maximum 25 points

**City of Austin, Texas
Section 0800
EQUAL EMPLOYMENT/FAIR HOUSING OFFICE
NON-DISCRIMINATION CERTIFICATION**

**City of Austin, Texas
Human Rights Commission**

To: City of Austin, Texas, ("OWNER")

I hereby certify that our firm conforms to the Code of the City of Austin, Section 5-4-2 as reiterated below:

Chapter 5-4. Discrimination in Employment by City Contractors.

Sec. 4-2 Discriminatory Employment Practices Prohibited. As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations and agrees:

- (B)
- (1) Not to engage in any discriminatory employment practice defined in this chapter.
 - (2) To take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination being practiced against them as defined in this chapter. Such affirmative action shall include, but not be limited to: all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising; selection for training and apprenticeship, rates of pay or other form of compensation, and layoff or termination.
 - (3) To post in conspicuous places, available to employees and applicants for employment, notices to be provided by OWNER setting forth the provisions of this chapter.
 - (4) To state in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, national origin, sexual orientation, gender identity, disability, veteran status, sex or age.
 - (5) To obtain a written statement from any labor union or labor organization furnishing labor or service to Contractors in which said union or organization has agreed not to engage in any discriminatory employment practices as defined in this chapter and to take affirmative action to implement policies and provisions of this chapter.
 - (6) To cooperate fully with OWNER's Human Rights Commission in connection with any investigation or conciliation effort of said Human Rights Commission to ensure that the purpose of the provisions against discriminatory employment practices are being carried out.
 - (7) To require compliance with provisions of this chapter by all subcontractors having fifteen or more employees who hold any subcontract providing for the expenditure of \$2,000 or more in connection with any contract with OWNER subject to the terms of this chapter.

For the purposes of this Offer and any resulting Contract, Contractor adopts the provisions of the City's Minimum Standard Nondiscrimination Policy set forth below.

**City of Austin
Minimum Standard Non-Discrimination in Employment Policy:**

As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations.

The Contractor will not discriminate against any applicant or employee based on race, creed, color, national origin, sex, age, religion, veteran status, gender identity, disability, or sexual orientation. This policy covers all aspects of employment, including hiring, placement, upgrading, transfer, demotion,

recruitment, recruitment advertising, selection for training and apprenticeship, rates of pay or other forms of compensation, and layoff or termination.

Further, employees who experience discrimination, sexual harassment, or another form of harassment should immediately report it to their supervisor. If this is not a suitable avenue for addressing their complaint, employees are advised to contact another member of management or their human resources representative. No employee shall be discriminated against, harassed, intimidated, nor suffer any reprisal as a result of reporting a violation of this policy. Furthermore, any employee, supervisor, or manager who becomes aware of any such discrimination or harassment should immediately report it to executive management or the human resources office to ensure that such conduct does not continue.

Contractor agrees that to the extent of any inconsistency, omission, or conflict with its current non-discrimination employment policy, the Contractor has expressly adopted the provisions of the City's Minimum Non-Discrimination Policy contained in Section 5-4-2 of the City Code and set forth above, as the Contractor's Non-Discrimination Policy or as an amendment to such Policy and such provisions are intended to not only supplement the Contractor's policy, but will also supersede the Contractor's policy to the extent of any conflict.

UPON CONTRACT AWARD, THE CONTRACTOR SHALL PROVIDE A COPY TO THE CITY OF THE CONTRACTOR'S NON-DISCRIMINATION POLICY ON COMPANY LETTERHEAD, WHICH CONFORMS IN FORM, SCOPE, AND CONTENT TO THE CITY'S MINIMUM NON-DISCRIMINATION POLICY, AS SET FORTH HEREIN, **OR** THIS NON-DISCRIMINATION POLICY, WHICH HAS BEEN ADOPTED BY THE CONTRACTOR FOR ALL PURPOSES (THE FORM OF WHICH HAS BEEN APPROVED BY THE CITY'S EQUAL EMPLOYMENT/FAIR HOUSING OFFICE), WILL BE CONSIDERED THE CONTRACTOR'S NON-DISCRIMINATION POLICY WITHOUT THE REQUIREMENT OF A SEPARATE SUBMITTAL.

Sanctions:

Our firm understands that non-compliance with Chapter 5-4 may result in sanctions, including termination of the contract and suspension or debarment from participation in future City contracts until deemed compliant with the requirements of Chapter 5-4.

Term:

The Contractor agrees that this Section 0800 Non-Discrimination Certificate or the Contractor's separate conforming policy, which the Contractor has executed and filed with the Owner, will remain in force and effect for one year from the date of filing. The Contractor further agrees that, in consideration of the receipt of continued Contract payments, the Contractor's Non-Discrimination Policy will automatically renew from year-to-year for the term of the underlying Contract.

City of Austin, Texas
Section 0805
NON-SUSPENSION OR DEBARMENT CERTIFICATION

The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. Covered transactions include procurement contracts for goods or services equal to or in excess of \$25,000.00 and all non-procurement transactions. This certification is required for all Vendors on all City of Austin Contracts to be awarded and all contract extensions with values equal to or in excess of \$25,000.00 or more and all non-procurement transactions.

The Offeror hereby certifies that its firm and its principals are not currently suspended or debarred from bidding on any Federal, State, or City of Austin Contracts.

**CITY OF AUSTIN, TEXAS
SECTION 0810
NON-COLLUSION,
NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING CERTIFICATION**

The term “**Offeror**”, as used herein, includes the individual or business entity submitting the Offer and for the purpose of this Affidavit includes the directors, officers, partners, managers, members, principals, owners, agents, representatives, employees, other parties in interest of the Offeror, and anyone or any entity acting for or on behalf of the Offeror, including a subcontractor in connection with this Offer.

1. **Anti-Collusion Statement.** The Offeror has not in any way directly or indirectly:

- a. colluded, conspired, or agreed with any other person, firm, corporation, Offeror or potential Offeror to the amount of this Offer or the terms or conditions of this Offer.
- b. paid or agreed to pay any other person, firm, corporation Offeror or potential Offeror any money or anything of value in return for assistance in procuring or attempting to procure a contract or in return for establishing the prices in the attached Offer or the Offer of any other Offeror.

2. **Preparation of Solicitation and Contract Documents.** The Offeror has not received any compensation or a promise of compensation for participating in the preparation or development of the underlying Solicitation or Contract documents. In addition, the Offeror has not otherwise participated in the preparation or development of the underlying Solicitation or Contract documents, except to the extent of any comments or questions and responses in the solicitation process, which are available to all Offerors, so as to have an unfair advantage over other Offerors, provided that the Offeror may have provided relevant product or process information to a consultant in the normal course of its business.

3. **Participation in Decision Making Process.** The Offeror has not participated in the evaluation of Offers or other decision making process for this Solicitation, and, if Offeror is awarded a Contract hereunder, no individual, agent, representative, consultant, subcontractor, or subconsultant associated with Offeror, who may have been involved in the evaluation or other decision making process for this Solicitation, will have any direct or indirect financial interest in the Contract, provided that the Offeror may have provided relevant product or process information to a consultant in the normal course of its business.

4. **Present Knowledge.** Offeror is not presently aware of any potential or actual conflicts of interest regarding this Solicitation, which either enabled Offeror to obtain an advantage over other Offerors or would prevent Offeror from advancing the best interests of the City in the course of the performance of the Contract.

5. **City Code.** As provided in Sections 2-7-61 through 2-7-65 of the City Code, no individual with a substantial interest in Offeror is a City official or employee or is related to any City official or employee within the first or second degree of consanguinity or affinity.

6. **Chapter 176 Conflict of Interest Disclosure.** In accordance with Chapter 176 of the Texas Local Government Code, the Offeror:

- a. does not have an employment or other business relationship with any local government officer of the City or a family member of that officer that results in the officer or family member receiving taxable income;

- b. has not given a local government officer of the City one or more gifts, other than gifts of food, lodging, transportation, or entertainment accepted as a guest, that have an aggregate value of more than \$250 in the twelve month period preceding the date the officer becomes aware of the execution of the Contract or that OWNER is considering doing business with the Offeror.
- c. as required by Chapter 176 of the Texas Local Government Code, Offeror must file a Conflict of Interest Questionnaire with the Office of the City Clerk no later than 5:00 P.M. on the seventh (7th) business day after the commencement of contract discussions or negotiations with the City or the submission of an Offer, or other writing related to a potential Contract with the City. The questionnaire is available on line at the following website for the City Clerk:

<http://www.austintexas.gov/departments/conflict-interest-questionnaire>

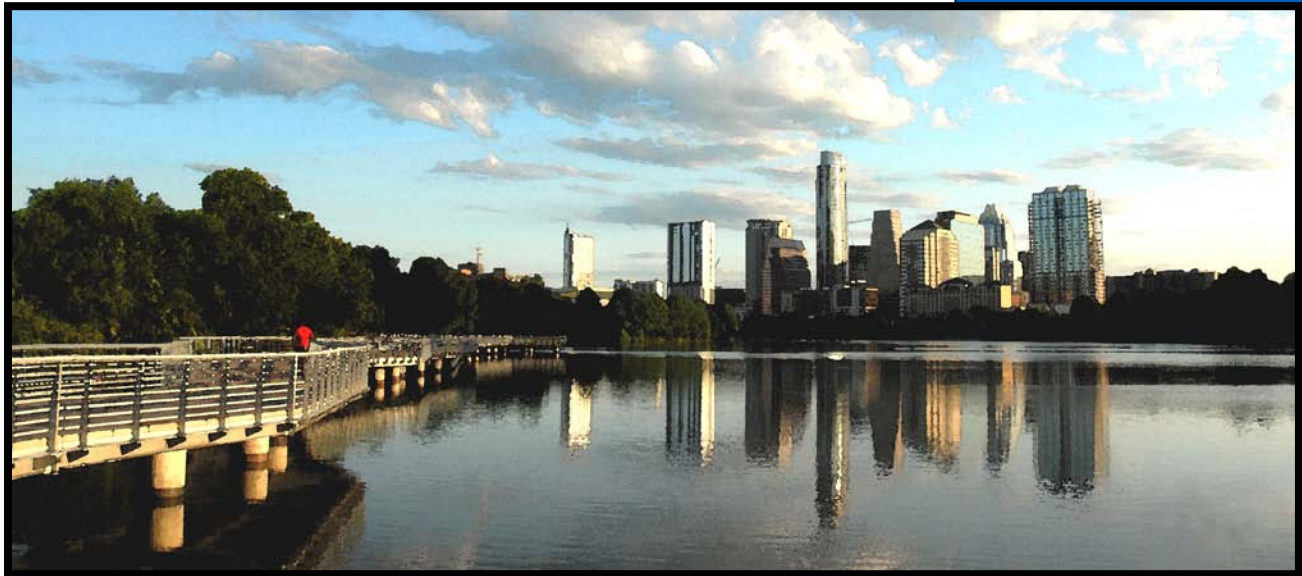
There are statutory penalties for failure to comply with Chapter 176.

If the Offeror cannot affirmatively swear and subscribe to the forgoing statements, the Offeror shall provide a detailed written explanation with any solicitation responses on separate pages to be annexed hereto.

7. Anti-Lobbying Ordinance. As set forth in the Solicitation Instructions, Section 0200, paragraph 7N, between the date that the Solicitation was issued and the date of full execution of the Contract, Offeror has not made and will not make a representation to a City official or to a City employee, other than the Authorized Contact Person for the Solicitation, except as permitted by the Ordinance.

Employee Benefits Guide

2015



Medical | Vision | Dental | Life Insurance | Disability | FLEXTRA | Wellness



Table of Contents



Contact Information	2	Dependent Care Account Worksheet.....	38
Benefits Guide Information	4	FLEXTRA Additional Information	39
Frequently Asked Questions	5	Group Legal Plan	40
Benefits Eligibility	6	Employee Wellness	41
Employee Eligibility	7	HealthyConnections	42
Dependent Eligibility	8	Additional Benefits	48
Persons Not Eligible	9	Employee Assistance Program.....	49
Dependent Documentation.....	9	Employee Communications	50
Coverage Information	10	Tuition Reimbursement Program	50
Plan Choices	12	Service Incentive Pay	50
Medical Plans	13	Employee Discount Page - Beneplace	50
Medical Rates	13	Childcare Program	51
CDHP w/HSA.....	14	Commuter Program	51
CDHP w/HSA Schedule of Benefits	15	Leave.....	52
CDHP Health Savings Account	16	Veterans Services Office.....	55
HMO and PPO Schedule of Benefits	18	Workers' Compensation	56
HMO and PPO Vision Benefits	21	Direct Deposit.....	56
HMO and PPO Prescription Benefits	22	Velocity Credit Union	56
Consumer Tips.....	23	Employee Retirement Systems.....	57
How to Use Mail Order	24	Deferred Compensation Plan	57
Diabetic Bundling.....	24	Social Security	57
Vision Plan.....	25	Important Benefits Information	58
Dental Assistance Plan.....	26	Summary of Benefits & Coverage and Glossary.....	59
Group Term Life Insurance	27	ADA Compliance.....	59
Employee	27	Governing Plan	59
Dependent	29	HIPAA.....	59
Supplemental Life Insurance Worksheet	30	Women's Health & Cancer Rights Act.....	60
Disability.....	31	Patient Protection and Affordable Care Act	60
Short Term Disability	31	COBRA	60
Long Term Disability	32	Continuation of Coverage for Domestic Partners	61
Long Term Disability Worksheet	33	USERRA Continuation of Coverage	61
FLEXTRA.....	34	Surviving Dependent Coverage	61
Health Care Account	34	Surviving Family/Work-Related Coverage	61
Health Care Account Worksheet	36	Your Prescription Drug Coverage and Medicare	62
Dependent Care Account	37	Health Insurance Marketplace.....	63

The City of Austin is committed to compliance with the Americans with Disabilities Act.

Call the Human Resources Department at [512-974-3400](tel:512-974-3400) (Voice) or [800-735-2985](tel:800-735-2985) (Relay Texas TTY Number) for more information.

Cover photos (left to right) Jessica Clayton - Aviation (page 21), Jamil Kelly- Austin Energy (page 52), Robyn Smith, Jason Bybel - Public Works Department (page 11), and Shane Kirk - Austin Police Department (page 29). Photographers: Sarah Fusco, Austin Energy & Jim Linton, Human Resources Department.

Contact Information

City of Austin Human Resources Department Employee Benefits Division

Benefits staff are available to answer any questions you have about your benefits.

Phone Number: 512-974-3284
Outlook Email: HRD, Benefits
Email: HRD.Benefits@austintexas.gov
Fax Number: 512-974-3420

Employees should make an appointment before visiting our office.

Office Hours: 7:30 a.m. to 5:00 p.m.
Office Location: 505 Barton Springs, Suite 600

Online Resources

To access benefits information, go to:
<http://cityspace>, the City's intranet website, or on the internet at austintexas.gov/benefits.

You can also view eligibility requirements, plan choices, print the City's employee and retiree benefits guides, and find information about the City's wellness, childcare, commuter, and other benefits.

UnitedHealthcare

Medical Plans

Medical Phone Number: 800-430-7316
myNurseLine: 877-440-6011
Vision Phone Number: 800-203-4317
Vision Providers: uhcvision.com
Mental Health Providers: liveandworkwell.com
Prescription Information: myuhc.com

To find a medical provider, go to myuhc.com.

1. Click the ***Find Physician, Laboratory, or Facility*** link.
2. Select ***UnitedHealthcare Choice Plus*** for the CDHP w/HSA and PPO. Select ***UnitedHealthcare Choice*** for the HMO.

To view the prescription formulary, print a temporary ID card, and Explanation of Benefits, go to myuhc.com. To register, follow these steps:

1. Click the ***Register Now*** button.
2. Enter information from your ID card.
3. Click the ***Next Step*** button.
4. Enter email address or sign up for a free email account.
5. Create a username, password, answer security questions, and agree to website policies.
6. Click the ***Submit*** button.

Retirement Systems

City of Austin Employees' Retirement System (COAERS)	Austin Fire Fighters Relief and Retirement Fund	City of Austin Police Retirement System
Phone Number: 512-458-2551 Fax Number: 512-458-5650 Website: coaers.org	Phone Number: 512-454-9567 Fax Number: 512-453-7197 Website: afrs.org	Phone Number: 512-416-7672 Fax Number: 512-416-7138 Website: ausprs.org

Contact each benefit vendor directly for identification cards, claims, benefits, and coverage information.

Davis Vision

Vision Plan

Toll-Free Number: 888-445-2290

To view benefits, locate a provider, and check claim status, go to davisvision.com. To register, follow these steps:

1. Click the **Member** link.
2. Click the **Register** link.
3. Enter information from your ID card.
4. Create a username, password, and security question.
5. Click the **Register** button.

For non-members, click the **Member** link and enter **2481** for Client Code.

CompuSys/Erisa Group Inc. (Erisa)

- **Dental Assistance Plan**
- **FLEXTRA Health Care Account & Benefits Card**
- **FLEXTRA Dependent Care Account**
- **COBRA Administration**

These programs are managed by the City's third party administrator, Erisa.

Phone Number: 512-250-9397
Toll-Free Number: 800-933-7472
Fax Number: 512-250-2937

City of Austin Dental Plan

To view claim activity, go to coadentalplan.com.

To register, follow these steps:

1. Enter your insured ID number from your ID card.
2. Create a password.
3. Click the **Submit** button.

FLEXTRA Health and Dependent Care

To view account activity, balances, and submit a claim form, go to coaflextra.com. To login, follow these steps:

1. Click on **My Account**.
2. Enter your employee ID number and the first five digits of your Social Security Number.
3. Click the **Login** button.

ARAG

Group Legal Plan

Toll-Free Number: 800-247-4184
Relay Texas Number: 800-383-4184

To view covered services and to locate a participating attorney, go to araglegalcenter.com. To register, follow these steps:

1. Click the **Member Login** button.
2. Click the **Create a user name and password for the first time** link.
3. Enter your member ID number from your ID card and your home address ZIP code.
4. Click the **Continue** button.
5. Create a username, password, and answer security questions and click the **Continue** button.

For non-members, enter **17886COA** for Access Code.

Alliance Work Partners

Employee Assistance Program

Phone Number: 512-328-1144
Toll-Free Number: 800-343-3822 (24/7)
Relay Texas Number: 800-448-1823
Toll-Free Teen Helpline: 800-334-8336

To view a list of free webinars and counseling services, go to alliancewp.com. To register, follow these steps:

1. Click the **Login** button.
2. Type **COAmember** for email address and **AWP4me** for password.
3. Click the **Submit** button.
4. Enter your email address and personal information.
5. Create a password and click the **Submit** button.

Austin Deferred Compensation Plan

457 Plan (Voya, LLC)

Toll-Free Number: 877-662-8784, option 2

To view and manage your account, go to dcaustin.com. To register, you must call Voya to obtain your PIN number and then follow these steps:

1. Click the **Deferred Compensation Login** button.
2. Select Social Security Number from the drop down and enter your Social Security Number.
3. Enter your PIN number for password.

Benefits Guide Information

City of Austin employees have access to benefits approved by the City Council each year as part of the budget process. The benefits and services offered by the City may be changed or terminated at any time. These benefits are not a guarantee of your employment with the City.

This Guide is designed to help you understand your benefits. Review this material carefully before making your enrollment decisions. Your rights are governed by each plan instrument (which may be a plan document, evidence of coverage, certificate of coverage, or contract), and not by the information in this Guide. If there is a conflict between the provisions of the plan you selected and this Guide, the terms of the plan govern.

For detailed information about the plans, refer to each plan instrument, contact the vendor or the Employee Benefits Division of the Human Resources Department.

City Benefits Philosophy

The City is concerned for the health and welfare of its employees and is committed to providing cost-effective benefits that assist employees in being physically and mentally healthy. The benefits provided to employees may range from reimbursement plans to educational programs, but all benefit plans require employees to assume responsibility for the choices they make and to be informed on how to use their benefits effectively.

As part of this philosophy, the City is committed, as resources permit, to making available a comprehensive benefits program that includes plans for:

- Health care
- Wellness
- Disability income
- Income replacement
- Death benefits
- Education and training
- Paid time away from work
- Childcare

In keeping with this philosophy, the City will explore other areas of benefits to the extent they fill a need of a major portion of the workforce and to the extent they can be provided cost-effectively and efficiently on a group basis.

Cost

Since rising health care costs affect both the City and its employees, the City will continue to study new coverage options that help control health care costs. The program is designed to be cost-effective, for both the short term and the long term.

The cost of the program is determined in a realistic fashion and does not vary with short-term financial considerations. Employee contributions are required to help finance the cost of parts of the program.

Administration

The overall administration of the benefits program is re-evaluated and revised periodically to ensure it is simple, efficient, cost-effective, and satisfies overall goals.

Communications

A variety of media is used to communicate the benefits program to employees and their dependents. Methods used include presentations, newsletters, the City's website, video on demand, and *CitySource Today*. In addition, benefits staff are available by phone or in person to discuss benefits issues with employees and their families. Communication goals of the benefits program include:

- Educating employees on how to use their benefits.
 - ❖ Employees should understand their responsibility for the choices they make.
 - ❖ Following the requirements of the plans.
- Educating employees on how to be better consumers of all benefits.
 - ❖ Employee choices should be appropriate for their needs.
 - ❖ Employees should contribute to the fiscal integrity and cost-effectiveness of the plans by making informed choices when using their benefits.
- Increasing employee understanding of the value of their benefits.



Mark Washington
Director Human Resources

Frequently Asked Questions

Eligibility Questions

- Q. If I am not sure how to access my benefits or who to call, where should I begin?
- A. *If you need assistance with any of the benefits offered by the City of Austin, call the Employee Benefits Division at 512-974-3284 and ask to speak with a Benefits representative.*
- Q. How do I enroll my newborn in my medical plan?
- A. *Call the Employee Benefits Division at 512-974-3284 within 31 days of your child's birth to schedule an appointment with a Benefits representative even if you have other children enrolled. You must provide a certified birth certificate, the complimentary birth certificate, or a Verification of Birth Facts issued by the hospital and complete a Benefits Enrollment Form.*
- Q. I am resigning my position from the City of Austin, how can I continue my coverage?
- A. *COBRA is offered to you and your covered dependents when coverage has ended. You will receive a COBRA information letter after your separation. For more information, call Erisa, the City's COBRA Administrator at 512-250-9397.*

Benefits Questions

- Q. I just signed up for benefits. When can I expect to receive my ID cards?
- A. *You should receive your ID cards within four to six weeks of enrolling or making changes to your benefits.*
- Q. If I need to see a doctor or have a prescription filled prior to receiving my ID card, what should I do?
- A. *You will need to pay for the services out-of-pocket, then submit a claim form and your receipt to UnitedHealthcare. You will receive reimbursement for these expenses, minus the required copay. If you are enrolled in the PPO and utilize a non-network doctor or facility, the amount will be applied toward your out-of-network deductible. If you are enrolled in the HMO you must use network providers.*
- Q. How do I begin the process for Short Term and/or Long Term Disability?
- A. *Call the Employee Benefits Division at 512-974-3284.*
- Q. Can I make changes to my benefits during the year?
- A. *Yes, within 31 days of a qualifying life event, such as birth of a child, marriage/divorce, loss of other coverage, or when you or your dependents receive coverage from another insurance company. For a complete list, see the Coverage Information section in this Guide.*
- Q. If I am called for military duty, what steps should I take concerning my benefits?
- A. *Call the Employee Benefits Division at 512-974-3284.*
- Q. I will be out on leave without pay. What should I do to make sure that my benefits continue?
- A. *Call the Employee Benefits Division at 512-974-3284 to make arrangements to pay your benefit premiums.*
- Q. If I enroll in the CDHP w/HSA for 2015 and do not use all of my HSA money can I use it in 2016 even if I do not enroll in a CDHP?
- A. *You can continue to use the money in your HSA for eligible medical, prescription, vision, and dental expenses even if you are no longer enrolled in the CDHP.*
- Q. Is the money in my HSA pre-funded at the beginning of the year?
- A. *Only the amount that the City contributes (\$500 for Employee Only/\$1000 for Employee & Dependents) is pre-funded. The money you contribute to your account will be available on a per pay period basis over 24 pay periods.*

Benefits Eligibility

- Employee Eligibility
- Dependent Eligibility
- Persons Not Eligible
- Dependent Documentation
- Coverage Information



The State of Texas Capitol Building.

Employee Eligibility

As a City employee, including any person in the six-month probationary period, your work status is full-time, part-time, or temporary. As a full-time or part-time employee, you may choose any combination of the benefits listed below:

Full-time Employees – 30 or more hours per week

If you are in a regular budgeted position scheduled to work 30 or more hours per week, you are considered full-time and are eligible to participate in:

- Medical
- Vision
- Dental
- Life Insurance
- Short Term Disability
- Long Term Disability
- FLEXTRA Health Care
- FLEXTRA Dependent Care
- Group Legal Plan
- Wellness Program
- Employee Assistance Program
- Childcare Programs
- Commuter Program
- Retirement (Mandatory)
- Deferred Compensation

As a full-time employee you are eligible for five types of coverage at no cost:

- CDHP w/HSA – Employee Only
 - PPO Medical – Employee Only
 - Dental – Employee Only
 - Basic Life Insurance
 - Short Term Disability
-

Part-time Employees – 20 to 29 hours per week

If you are in a regular budgeted position scheduled to work 20 to 29 hours per week, you are considered part-time and are eligible to participate in:

- Medical
- Vision
- Dental
- Life Insurance
- Short Term Disability
- Long Term Disability
- FLEXTRA Health Care
- FLEXTRA Dependent Care
- Group Legal Plan
- Wellness Program
- Employee Assistance Program
- Commuter Program
- Deferred Compensation

As a part-time employee you are eligible for Short-Term Disability coverage at no cost.

Part-time Employees – Less than 20 hours per week

If you are in a regular budgeted position scheduled to work less than 20 hours per week, you are considered part-time and are eligible to participate in:

- Medical
 - Vision
 - Dental
 - Life Insurance
 - FLEXTRA Health Care
 - FLEXTRA Dependent Care
 - Group Legal Plan
 - Wellness Program
 - Employee Assistance Program
 - Commuter Program
 - Deferred Compensation
-

Temporary Employees

If you are in a temporary position you are eligible to participate in:

- Commuter Program
- Employee Assistance Program
- Wellness Program (Refer to the HealthyConnections section.)
- Deferred Compensation

Dependent Eligibility

Enrolling Dependents for Benefits

If you are a full-time or part-time employee, your dependents are eligible for:

- Medical
- Vision
- Dental
- Life Insurance
- FLEXTRA Health Care
- FLEXTRA Dependent Care
- Group Legal Plan
- Wellness Program
- Employee Assistance Program



City of Austin skyline, 2014

Eligible Dependents

Your dependents who meet the descriptions listed below can be enrolled for benefits.

- **Spouse:** Your legally married spouse, including a declared common-law spouse. Only one spouse or domestic partner may be covered at any time.
- **Domestic Partner:** The individual who lives in the same household and shares the common resources of life in a close, personal, intimate relationship with a City employee if, under Texas law, the individual would not be prevented from marrying the employee on account of age, consanguinity, or prior undissolved marriage to another person. A domestic partner may be of the same or opposite gender as the employee. Only one spouse or domestic partner may be covered at any time.
- **Children:** Your biological children, stepchildren, legally adopted children, children for whom you have obtained court-ordered guardianship or conservatorship, qualified children placed pending adoption, and children of your domestic partner if you also cover your domestic partner for the same benefit. Your children must be under 26 years of age.
- **Dependent Grandchildren:** Your unmarried grandchild must meet the requirements listed above, and must also qualify as a dependent (as defined by the Internal Revenue Service) on your or your spouse's federal income tax return.
- **Disabled Children:** To continue City coverage for an eligible dependent past the age limit, the child must be covered as a dependent at the time and must also meet the following definitions:
 - ❖ A child is considered disabled if they are incapable of earning a living at the time the child would otherwise cease to be a dependent, and depend on you for principal support and maintenance, due to a mental or physical disability.
 - ❖ A disabled child continues to be considered an eligible dependent as long as the child remains incapacitated and dependent on you for principal support and maintenance, and you continuously maintain the child's coverage as a dependent under the plan from the time they otherwise would lose dependent status.
 - ❖ A dependent child who loses eligibility and later becomes disabled is not eligible to be covered. A disabled child who was not covered as a dependent immediately prior to the time the child would otherwise cease to be a dependent is not eligible to be covered.

Covering dependents who are not eligible for the City's insurance programs unfairly raises costs for the City, as well as for all participants in the programs.

Persons Not Eligible

Dependents do not include:

- Individuals on active duty in any branch of military service (except to the extent and for the period required by law).
- Permanent residents of a country other than the United States.
- Parents, grandparents, or other ancestors.
- Grandchildren who do not meet the definition of dependent grandchildren or who are not claimed on your or your spouse's federal income tax return.



David Brown and Daniel Robleto, PWD, locate a survey pin in the center of the intersection at 11th Street and Red River.

An individual is not eligible to be covered:

- As both a City employee and a City retiree, for the same benefit.
- As both a City employee or City retiree and as a dependent of a City employee or City retiree, for the same benefit.
- As a dependent of more than one City employee or City retiree, for the same benefit.

Dependent Documentation

To provide coverage for a dependent under any of the City's benefits programs, you must provide documentation that supports your relationship to the dependent. Social Security Numbers must be provided for all eligible dependents.

Acceptable documents are listed below for the following dependents:

- **Spouse:** A marriage certificate or declaration of informal (common-law) marriage, which has been recorded as provided by law.
- **Domestic Partner:** A Domestic Partnership Affidavit and Agreement form signed by the employee and domestic partner. Also a Domestic Partnership Tax Dependent Status Form signed by the employee.
- **Child:** A certified birth certificate, complimentary hospital birth certificate, Verification of Birth Facts issued by the hospital, or court order establishing legal adoption, guardianship, or conservatorship, or qualified medical child support order, or be the subject of an Administrative Writ.
- **Child of a Domestic Partner:** The documentation listed above must also be provided and the domestic partner must be covered for the same benefit in order to cover a child of a domestic partner.
- **Stepchild:** The documentation listed above must also be provided, and a marriage certificate or declaration of informal marriage indicating the marriage of the child's parent and stepparent.
- **Dependent Grandchild:** The documentation listed above must also be provided, and a marriage certificate or declaration of informal marriage that supports the relationship between you and your grandchild.
- **Disabled Child:** A completed Dependent Eligibility Questionnaire verifying an ongoing total disability including written documentation from a physician verifying an ongoing total disability.
- **Qualified Child Pending Adoption:** For children already placed in your home, an agreement executed between you and a licensed child-placing agency or TDFPS, which meets the requirements listed in Dependent Eligibility.



2014 APD Cadet Class running on the hike and bike trail.

Coverage Information

Changing Coverage

To change coverage you must call the Employee Benefits Division to schedule an appointment with a Benefits representative.

You may request changes to your coverage throughout the year only at the following times:

- During annual Open Enrollment.
- Within 31 days of the date you initially become eligible for coverage.
- Within 31 days of a qualifying life event or HIPAA special enrollment period.

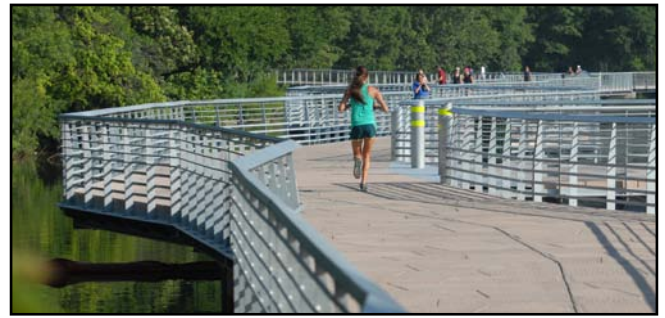
If you do not complete a Benefits Enrollment Form within the time frames listed above, you must wait until the next annual Open Enrollment. To drop coverage for dependents who no longer meet the eligibility requirements, you must contact the Employee Benefits Division to complete a Benefits Enrollment Form.

Qualifying Life Events

When you have a qualifying life event such as marriage, divorce, birth of a child, death, establishing a committed living arrangement as domestic partners, dissolution of domestic partnership, loss or gain of other coverage – you may make changes to your coverage within 31 days of the event.

You must contact the Employee Benefits Division within 31 days of the event to complete a Benefits Enrollment Form and provide the following:

- Social Security Number of the person you are adding.
- Certified birth certificate, complimentary hospital birth certificate, or Verification of Birth Facts issued by the hospital for the birth of a child.
- Marriage license or a signed Domestic Partnership Affidavit and Agreement Form.
- Divorce decree signed by a judge showing the date the divorce was final or a notarized Dissolution of Domestic Partnership Affidavit.
- Documentation from the employer or health insurance carrier confirming the date other coverage became effective or was lost.



Runner on new Lady Bird Lake boardwalk.

Coverage Effective Dates

Providing you complete a Benefits Enrollment Form, provide required documentation, and pay any premiums owed, coverage is effective for you and your dependents as follows:

- If you enroll within 31 days of the date you are first eligible, coverage for you and any dependents you enroll will be effective on the date you are first eligible.
- If you enroll during annual Open Enrollment, coverage for you and any dependents you enroll will be effective on January 1 of the following year.
- If you enroll within 31 days of a qualifying life event, except for the birth of a child or the court-ordered adoption, placement for adoption, guardianship, or conservatorship of a child, coverage for you and any dependents you enroll will be effective either the first day of the following pay period or the first day of the month following the date you submit the enrollment form.
- Medical coverage is temporarily effective on the date of birth for any child born while you are a covered employee. This includes an eligible grandchild born to your covered dependent. Coverage will extend past the 31 days only if you visit the Employee Benefits Division within the first 31 days of birth, complete a Benefits Enrollment Form, and pay any required premiums. You must complete an enrollment form to add the newborn as a covered dependent, even if you have family coverage.
- If you enroll within 31 days of the court-ordered adoption, placement for adoption, guardianship or conservatorship of a child, coverage for you and any dependents you enroll will be effective on the date of the adoption, placement for adoption, guardianship, or conservatorship. You must complete an enrollment form and pay any required premiums to add the child, even if you have family coverage.

Coverage Ending Dates

Coverage for you and your dependents will end on the earliest of the following:

- The date the plan in question is terminated.
- The date the coverage in question is terminated or reduced.
- The date the plan is amended to end coverage for you or your class of dependents.
- The last day of the pay period in which you voluntarily terminate your or your dependents' coverage.
- The last day of the pay period in which you or your dependents no longer meet eligibility requirements.
- The last day of the month your dependents no longer meet eligibility due to age.

Waiving Coverage

If you are a full-time employee declining or dropping medical and/or dental coverage for yourself, you must:

- Provide proof of other insurance for the coverage you are declining or dropping.
- Complete a Benefits Enrollment Form.
- Sign a waiver indicating you are aware that medical and/or dental coverage is available through the City.

If you later decide you want to be covered, you will not be able to enroll for coverage until the next Open Enrollment or within 31 days of a qualifying life event.

Premium Information

For full or part-time employees, the City pays a portion of your dependent's medical and dental premiums. The amount paid by the City is not taxable to you if your dependent is a qualified dependent as defined by the Internal Revenue Service (IRS). You are responsible for determining whether your dependent meets the IRS dependent definition.

Premium Deduction Errors

It is your responsibility to verify that the premium deductions taken from your paycheck are correct. Any deduction errors must be reported immediately to the Employee Benefits Division at [512-974-3284](tel:512-974-3284).

Enrollment Form Errors – It is your responsibility to ensure that information on the Benefits Enrollment Form is correct. If a premium deduction error occurs, notify the Employee Benefits Division immediately. If an underpayment occurs due to an error you made on the Benefits Enrollment Form, the City has the right to collect any additional premiums owed.

Data Entry Error/Delay – If a data entry error occurs or if data entry is delayed, it will not invalidate the coverage on your Benefits Enrollment Form. Upon discovery, an adjustment will be made to reflect the correct premium deduction. If underpayment of a premium occurs, the City has the right to collect any additional premiums owed by you. If overpayment occurs, the City will reimburse you any amount of overpaid premiums up to a maximum of two pay periods.

Taxable Fringe

If you choose benefits coverage for a dependent who does not qualify to be claimed on your federal income tax return, you may have to pay taxes on the amount of money the City contributes for the dependent's medical and/or dental benefits. This money is considered taxable income, and must be reported to the IRS. The City refers to this money as taxable fringe. A spouse is never subject to taxable fringe.

If at least one of the children for whom you have elected medical and/or dental coverage is a child you claim as a dependent on your federal income tax return, the City's contribution will not be considered taxable income.



Robyn Smith and Jason Bybel, PWD, at Water Treatment Plant #4.

Plan Choices

- . Medical
 - ❖ Consumer Driven Health Plan with a Health Savings Account (CDHP w/HSA)
 - ❖ PPO
 - ❖ HMO
- . Vision
- . Dental
- . Life Insurance
- . Disability
- . FLEXTRA
- . Group Legal Plan



Newly restored iconic Austin mural at Roadhouse Relics on South First Street.

CDHP w/HSA, PPO, and HMO Medical Plans



As an employee, you may choose the medical plan that best meets your needs. Provider and prescription information is available online at myuhc.com. Select UnitedHealthcare Choice Plus for the CDHP w/HSA or PPO. Select UnitedHealthcare Choice for the HMO.

Things to consider when choosing a medical plan:

- Premium costs for dependent coverage
- Future expenses
- Amount of out-of-pocket expenses
- Amount of specialist copays
- Amount of prescription drug copays
- Predictability of inpatient hospital expenses

For treatment before your ID card arrives

You will need to pay for the services out-of-pocket, then submit a claim form and your receipt to UnitedHealthcare. If you are enrolled in the CDHP w/HSA or PPO and utilize a non-network doctor or facility, the amount will be applied toward your out-of-network deductible. If you are enrolled in the HMO you must use network providers.

UnitedHealthcare Medical Rates

CDHP Rates – Per Pay Period	Full-time 30+ hours per week	Part-time 20 – 29 hours per week	Part-time Less than 20 hours per week
Employee Only	\$ 0.00	\$ 114.25	\$ 228.50
Employee & Spouse or Domestic Partner	\$ 79.73	\$ 296.24	\$ 512.75
Employee & Children	\$ 39.54	\$ 238.48	\$ 437.42
Employee & Family or Domestic Partner & Children	\$ 183.38	\$ 444.55	\$ 705.72

PPO Rates – Per Pay Period	Full-time 30+ hours per week	Part-time 20 – 29 hours per week	Part-time Less than 20 hours per week
Employee Only	\$ 0.00	\$ 96.64	\$ 271.61
Employee & Spouse or Domestic Partner	\$ 152.66	\$ 325.66	\$ 609.47
Employee & Children	\$ 112.46	\$ 267.05	\$ 520.51
Employee & Family or Domestic Partner & Children	\$ 256.30	\$ 481.10	\$ 838.82

HMO Rates – Per Pay Period	Full-time 30+ hours per week	Part-time 20 – 29 hours per week	Part-time Less than 20 hours per week
Employee Only	\$ 5.00	\$ 101.64	\$ 282.29
Employee & Spouse or Domestic Partner	\$ 157.66	\$ 330.66	\$ 644.67
Employee & Children	\$ 117.46	\$ 272.05	\$ 550.44
Employee & Family or Domestic Partner & Children	\$ 261.30	\$ 486.10	\$ 887.15

CDHP w/HSA

In 2015 the City will offer a new medical plan option called Consumer Driven Health Plan with a Health Savings Account, or CDHP w/HSA. Like the PPO and HMO medical plans, the CDHP w/HSA will be administered by UnitedHealthcare. The same network of doctors and facilities as those on the PPO and HMO plans are available. Despite these similarities the plan has different requirements and works differently. Read on to see if the CDHP w/HSA plan is right for you.

Why the City is Offering a New Plan

Research shows that in 2015, 82 percent of large employers will offer some type of Consumer Driven Health Plan. The City is also concerned with the rising cost of health care. Lower premiums, a Health Savings Account, and higher out-of-pocket costs for non-preventive services on this plan empower you to be a wise consumer of health. The City and UnitedHealthcare will provide you with tools to make the cost of health care more transparent. This will allow you to consider the cost of a provider or facility before making the decision of where to seek care.

Plan Features

- Employee Only in-network deductible is \$1,500 and Employee with Dependent coverage deductible is \$3,000.
- Employee Only in-network, out-of-pocket maximum is \$5,000 and Employee with Dependent coverage out-of-pocket maximum is \$10,000.
- Out-of-network coverage is available at higher deductibles, co-insurance, and maximum out-of-pocket charges.
- The City will contribute money into your HSA account on an annual basis upon enrollment. You will also have the ability to contribute to this account through payroll deductions.

City annual contributions to the HSA for employees enrolled between January 1 and June 30, 2015

	Full-time 30+ hours	Part-time 20 – 29 hours	Part-time Less than 20 hours
Employee Only	\$ 500	\$ 250	\$ 0.00
Employee & Dependents	\$ 1,000	\$ 500	\$ 0.00

City annual contributions to the HSA for employees enrolled between July 1 and December 31, 2015

	Full-time 30+ hours	Part-time 20 – 29 hours	Part-time Less than 20 hours
Employee Only	\$ 250	\$ 125	\$ 0.00
Employee & Dependents	\$ 500	\$ 250	\$ 0.00

You also can contribute to your HSA through pre-tax payroll deductions. This will allow you to save money to meet your deductible or save for future medical expenses. The annual amount that can be contributed to an HSA is determined by the IRS. The chart below shows the contribution limits per pay period for 2015.

Employee per pay period contributions to the HSA

2015 HSA Contribution Limits	Employee Only Coverage	Employee & Dependents
Per pay period deduction (Based on 24 pay periods)	Up to \$118.75	Up to \$235.41

How the CDHP w/HSA Works

Before enrolling in the CDHP w/HSA it is important to understand how the plan works. Here are a few things to know about this plan:

- Preventive services and preventive prescriptions mandated by the Affordable Care Act continue to be covered at 100 percent.
- You must meet your calendar year deductible first before the plan pays for any covered services (except for preventive services.) You can use money in your HSA to pay for these eligible expenses.

- The CDHP w/HSA includes two prescription formularies:
 - ❖ Expanded Preventive Drug List – you will pay 20 percent of the cost, no deductible. The list of expanded preventive medications can be found on the Employee Benefits web page at austintexas.gov/benefits.
 - ❖ 2015 Prescription Drug List – once you meet your calendar year deductible, the plan will pay 80 percent of the cost for drugs on this list.
- Once you meet your calendar year deductible, the plan will pay 80 percent of in-network covered services and you will be responsible for 20 percent.
- Once you meet your calendar year out-of-pocket maximum, the plan will pay 100 percent of in-network covered services.

CDHP w/HSA Schedule of Benefits

Preventive services include annual physicals, well baby checks, and well women exams. Other wellness screenings such as colonoscopies are also considered preventive services when they are not performed for diagnostic purposes. To find the preventive medication list go to austintexas.gov/benefits.

Medical Benefits	Employee Only	Employee & Dependents	Employee Only	Employee & Dependents
	In-Network		Out-Of-Network	
Deductible	\$1,500	\$3,000	\$3,000	\$6,000
Preventive Services	Plan pays 100%.	Plan pays 100%.	Calendar year deductible applies. Plan pay 60%	Calendar year deductible applies. Plan pay 60%
Eligible Covered Services & Facilities	Calendar year deductible applies. Plan pay 80%.	Calendar year deductible applies. Plan pay 80%.	Calendar year deductible applies. Plan pay 60%.	Calendar year deductible applies. Plan pay 60%.
Out-of-Pocket Maximum	\$5,000 per calendar year.	\$10,000 per calendar year.	\$10,000 per calendar year.	\$20,000 per calendar year.

Vision Benefits	In-Network	Out-of-Network
Annual Routine Vision Exam	Calendar year deductible applies. Plan pays 80%.	Calendar year deductible applies. Plan pays 60%.
Annual Contact Lens Fitting Fee	Calendar year deductible applies. Plan pays 80%.	Calendar year deductible applies. Plan pays 60%.
Frames, Standard Lenses, and Contact Lenses	Preferred Pricing at participating private practices. Preferred Pricing discounts at participating retail chain providers.	Not available at private practices. Retail chain providers may offer a discount.

Prescription Benefits	Coverage
Affordable Care Act Mandated Prescriptions.	Plan pays 100%.
Expanded Preventive Drug List – found at austintexas.gov/benefits .	Plan pays 80%. No deductible.
2015 Prescription Drug List.	Calendar year deductible applies. Plan pays 80%.

CDHP Health Savings Account

When you enroll in the CDHP w/HSA you will also be enrolled in a Health Savings Account (HSA) through Optum Health Bank. An HSA is a tax-advantage account you own and manage. You can use your HSA to pay for eligible medical, prescription, dental, and vision expenses.

To help you get started, the City will contribute money into the HSA to offset out-of-pocket costs. The money from the City, plus any additional money you choose to contribute on a pre-tax basis through payroll deductions can be used to pay for health-related expenses.

You own the money in the HSA, including any interest; therefore, whatever you do not use throughout the year automatically rolls over to the next year. Your HSA is fully portable which means when you end employment with the City you keep any money in your HSA. You can continue to use this money to pay for eligible expenses.

Optum Health Bank will communicate with you via US Mail. It is important that you read and respond to any requests so your HSA can be opened in a timely manner. Once your account is opened, you will receive an Optum Health Debit card. You can use your Optum Health Debit card to pay for eligible medical, prescription, vision, and dental expenses at the point of service, such as a doctor's office or at the pharmacy.

Health Savings Account Eligibility

In order to be eligible for a Health Savings Account you must meet certain requirements determined by the IRS. If you do not meet all of these requirements you are not eligible to enroll in the City's CDHP w/HSA medical plan. It is up to you to determine if you meet these eligibility requirements so review them carefully.

HSA eligibility requirements:

- You or your enrolled dependents cannot be eligible to be claimed on another person's tax return.
- You or your enrolled dependents cannot be enrolled in a Flexible Spending Health Care Account (FLEXTRA Health Care Account).
- You cannot be enrolled in any plan other than a CDHP including: Medicare, Medicaid, or Tricare.
- You could not have received benefits from the Veteran's Administration in the three months prior to enrolling.
- You must provide a physical address to Optum Health Bank (no P.O. Boxes).
- You must be a legal resident of the United States.

If you do not meet all of the above requirements you are not eligible for the CDHP w/HSA and should choose either the PPO or HMO medical plan.

Differences Between an HSA and FLEXTRA

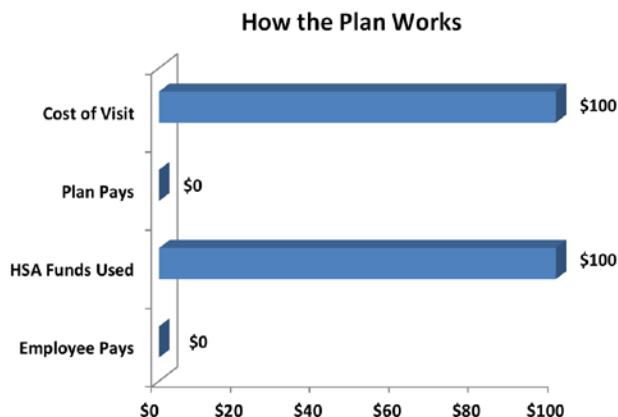
There are important differences between a Health Savings Account and a Flextra Health Care Account.

- With an HSA you cannot use funds until they have been deposited into your account.
- An HSA is not a USE IT OR LOSE IT account. You can build your savings over time and when you leave the City you keep your account.
- You must claim your dependents on your IRS tax return in order to use your HSA to pay for their expenses.

Examples of how the CDHP w/HSA Plan works

Example 1: A Primary Care Visit

Jose works for AWU and is enrolled in the CDHP w/HSA, Employee and Children coverage. His 11-year-old daughter is not feeling well and Jose takes her to the doctor. The cost of the visit is \$100 and he uses his Optum Health Bank debit card to pay for the \$100 office visit. He pays \$0 out of pocket because he uses money the City contributed to his HSA. Here is a breakdown of the cost:



If Jose was enrolled in the HMO or PPO he would have paid a \$25 copay.

Example 2: An Outpatient Surgery

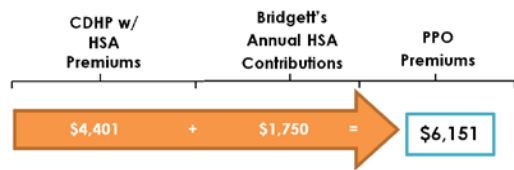
Aaron works for CTM and is enrolled in the CDHP w/HSA, Employee Only coverage. He needs to have outpatient surgery, and the total cost is \$4,750. Aaron has not met his annual deductible. Here is a breakdown of the costs:

Cost of Surgery:	\$4,750
Annual Deductible:	\$1,500
Remaining Cost:	\$3,250
Plan pays 80%:	\$2,600
Aaron pays 20% Coinsurance:	\$650
Aaron's total out-of-pocket cost:	\$2,150
Aaron's HSA Reimbursement:	\$500
Aaron pays:	\$1,650

For this outpatient surgery Aaron would pay \$1,000 on the HMO and \$1,350 on the PPO. Under the CDHP w/HSA Plan he has now met his annual deductible and will pay 20 percent of future in-network costs. After he meets his out-of-pocket maximum of \$5,000, all in-network expenses will be paid by the plan.

Example 3: How the CDHP w/HSA Can Save Money

Bridgett works for APD and is enrolled in the CDHP w/HSA, Employee and Family coverage. Under the new plan she will pay \$4,401 in annual premiums for 2015, saving herself \$1,750 in premiums by switching from the PPO. Bridgett chooses to contribute the savings of \$1,750 into her HSA through pre-tax per pay period deductions. On January 1, 2015 the City also will contribute \$1,000 into her HSA.



In 2015 Bridgett and her family see their primary care provider for their annual routine physicals which are paid at 100 percent. Bridgett has no out of pocket expenses in 2015 and ends the year with \$2,750 (City's contribution of \$1,000 plus Bridgett's contribution of \$1,750) in her HSA to pay for future medical, dental or vision expenses. If she had stayed in the PPO Plan she would have paid the \$1,750 in premiums and would not have savings in her HSA to use for future expenses.

HMO & PPO Schedule of Benefits

	HMO	PPO	
		In-Network	Out-of-Network
Individual Deductible	None.	\$500 per covered person, per calendar year.	\$1,500 per covered person, per calendar year.
Family Deductible Maximum	None.	Three individual deductibles.	Three individual deductibles.
Out-of-Pocket Maximum	\$4,000 per covered person or \$8,000 per family, per calendar year.	\$3,500 per covered person, per calendar year.	\$12,000 per covered person, per calendar year.
Out-of-pocket maximums for both the HMO and PPO include medical and prescription copay, deductible, and coinsurance amounts.			
Lifetime Maximum	Unlimited.	Unlimited.	Unlimited.
Maximum Allowable Charge	The maximum allowable charge is the maximum fee for a particular service or supply that the Plan will consider eligible for payment.	The maximum allowable charge is the maximum fee for a particular service or supply that the Plan will consider eligible for payment. In the case of out-of-network benefits, the covered person may be responsible for paying charges in excess of the maximum allowable charge in addition to any deductible, coinsurance, copays, or facility fee required by the Plan.	
Selection of Doctor	Members must select a network doctor.	Members select an in-network doctor.	Members select an out-of-network doctor.
Service Locations	Services are provided at in-network doctors' offices, hospitals, and other facilities. If a required service is not available in-network, pre-approval is required.	Services are provided at in-network doctors' offices, hospitals, and other facilities. If a required service is not available in-network, pre-approval is required; otherwise, the service will be paid as an out-of-network expense.	Services are provided in out-of-network doctors' offices, hospitals, and other facilities.
Residency Requirements	Must live or work in the service area (Bastrop, Blanco, Burnet, Caldwell, Hays, Travis, and Williamson counties). Children for whom you have been court-ordered to provide medical support are not required to live in the service area.	None. UnitedHealthcare is a national network; contact UnitedHealthcare directly for a list of doctors and/or facilities in your area.	None.
Out-of-Network Benefits	None, except in case of a medical emergency.	\$1,500 deductible. Plan pays 60%, up to maximum allowable charge. Out-of-network benefits are subject to in-network benefit plan limits and pre-approval and pre-notification requirements. In addition to the above, Outpatient Surgical Facility and Inpatient Hospital Services are subject to a \$250 per day facility fee.	

HMO & PPO Schedule of Benefits

	HMO	PPO – In-Network
Preventive Exams	Plan pays 100%, no copay.	Plan pays 100%, no copay.
Doctor's Charges for Office Visits	\$25 Primary Care Physician copay per visit. \$45 Specialist copay per visit.	\$25 Primary Care Physician copay per visit. \$35 Specialist copay per visit.
Doctor's Charges for Maternity Office Visits	\$25 copay for first office visit. Plan pays 100% thereafter.	\$25 copay for first office visit. Calendar year deductible applies. Plan pays 80%.
Urgent Care and Non-Hospital Minor Emergency Centers	\$45 copay per visit.	\$35 copay per visit.
Convenience Care Clinics	\$25 copay per visit.	\$25 copay per visit.
Outpatient Surgery	\$1,000 copay.	Calendar year deductible applies. Plan pays 80%.
Colonoscopies	Plan pays 100% for preventive screenings.	Plan pays 100% for preventive screenings.
Hospital Inpatient	Included in Hospital Services. \$1,500 copay per confinement. Limited to semi-private room rate. Pre-notification is required unless hospitalization is the result of an emergency.	Calendar year deductible applies. Plan pays 80%. Limited to semi-private room rate. Pre-notification is required unless hospitalization is the result of an emergency.
Hospital Emergency Room Services	\$200 copay per visit.	\$150 copay per visit.
Ambulance Service	\$100 copay.	Calendar year deductible applies. Plan pays 80%.
Allergy and Other Covered Injections	Allergy injections are covered at 50%. Plan pays 50% for allergy testing and serum. Plan pays 100% for all other injections. If charged for an office visit, office visit copays apply.	Allergy injections are covered at 100%. Plan pays 100% for allergy testing and serum. If charged for an office visit, office visit copays apply.
Immunizations	Plan pays 100%. If charged for an office visit, office visit copays apply.	Plan pays 100%. If charged for an office visit, office visit copays apply.
Physical and Occupational Therapy	\$45 copay per visit.	\$35 copay per visit.
Chiropractic Care	\$45 copay per visit. Limited to 20 visits per covered person, per calendar year.	\$35 copay per visit. Limited to 20 visits per covered person, per calendar year.
Speech Therapy	\$45 copay per visit. Limited to rehabilitative speech therapy.	\$35 copay per visit.
Registered Dietitian	\$45 copay per visit.	\$35 copay per visit.
Acupuncture	Not covered.	\$35 copay per visit. Limited to 12 visits per covered person, per calendar year.

HMO & PPO Schedule of Benefits

	HMO	PPO – In-Network
Outpatient Diagnostic X-Ray and Laboratory	Plan pays 100%.	Plan pays 100%.
CT, MRI, PET Scans	\$100 copay. Pre-notification required.	\$100 copay. Pre-notification required.
Mental Health Care Outpatient	\$25 copay per visit.	\$25 copay per visit.
Mental Health Care Inpatient	\$1,500 copay per confinement. Pre-notification required.	Calendar year deductible applies. Plan pays 80% per calendar year. Pre-notification required.
Chemical Dependency	\$1,500 copay per confinement. Pre-notification required.	Calendar year deductible applies. Plan pays 80% per calendar year. Pre-notification required.
Extended Care Skilled Nursing Facility	\$25 copay per day. Limited to 30 days per covered person, per calendar year. Pre-notification required.	Calendar year deductible applies. Plan pays 80%. Limited to 60 days per covered person, per calendar year. Pre-notification required.
Home Health Care	\$30 copay per visit.	Plan pays 100%. Limited to 120 visits per covered person, per calendar year.
Hospice Care	Plan pays 100%. Limited to 50 visits per person, per calendar year. Pre-notification required.	Plan pays 100%. Pre-notification required.
Durable Medical Equipment	Plan pays 100%. Pre-notification required for any item over \$1,000.	Calendar year deductible applies. Plan pays 80%. Pre-notification required for any item over \$1,000.
Disposable Medical Supplies	Plan pays 80%. Pre-notification required for any item over \$1,000.	Calendar year deductible applies. Plan pays 80%. Pre-notification required for any item over \$1,000.
Breast Pumps	Plan pays 100%.	Plan pays 100%. No coverage for out-of-network providers.
Prosthetic-Orthotic Devices	Plan pays 80%. Pre-notification required for any item over \$1,000.	Calendar year deductible applies. Plan pays 80%. Pre-notification required for any item over \$1,000.
Diabetic Equipment Insulin pumps and related supplies.	Plan pays 80%. Pre-notification required for any item over \$1,000.	Calendar year deductible applies. Plan pays 80%. Pre-notification required for any item over \$1,000.
Diabetic Supplies At a durable medical equipment provider.	Plan pays 80%.	Calendar year deductible applies. Plan pays 80%.
Diabetic Counseling	Plan pays 100%.	Plan pays 100%.
Other Covered Medical Expenses	Refer to your Medical Plan Document or contact UnitedHealthcare.	

HMO & PPO Vision Benefits

	Routine Vision Network	HMO/PPO In-Network
Annual Routine Vision Exam	\$25 copay for routine vision exam including contact lens fitting. Members must use the Routine Vision Network.	\$45 copay Choice (HMO) \$35 copay Choice Plus (PPO)
Annual Contact Lens Fitting Fee	Amount charged is due at time service is rendered. Submit a vision claim form for 100% reimbursement of contact lens fitting fee.	Included in annual routine vision exam copay.
Frames, Standard Lenses and Contact Lenses	Preferred Pricing at participating private practices. Preferred Pricing discounts at participating retail chain providers.	Not available at private practices. Retail chain providers may offer a discount.



*Jessica Clayton, Austin-Berstrom International Airport
sitting at the piano on the Ray Benson Stage.*

HMO & PPO Prescription Benefits

	HMO		PPO	
	Retail Pharmacy (limited to a 31-day supply)	Mail Order Pharmacy (limited to a 90-day supply)	Retail Pharmacy (limited to a 31-day supply)	Mail Order Pharmacy (limited to a 90-day supply)
Tier 1	\$10	\$ 30	\$10	\$ 20
Tier 2	\$35	\$105	\$30	\$ 60
Tier 3	\$55	\$165	\$50	\$100
A \$50 deductible will apply for Tier 2 & Tier 3 prescription drugs per covered person. Once the deductible is met the copays listed above apply.				

Applies to the CDHP w/HSA, HMO, and PPO

Diabetic Supplies (see also Diabetic Equipment)	
Retail Pharmacy	Supplies are covered at a participating pharmacy.
Mail Order Pharmacy	A participant's insulin/non-insulin and related diabetic supplies can be purchased through mail order for the cost of the insulin/non-insulin if prescriptions for the insulin/non-insulin and supplies are submitted at the same time.

Tobacco Cessation Program/Drugs
<p>A participant can receive an FDA approved tobacco cessation drug at no cost, if the participant:</p> <ul style="list-style-type: none"> • Is covered under a City medical plan. • Completes requirements of the HealthyConnections Tobacco Cessation Program. • Is 18 years of age or older. • Obtains a prescription from his or her physician and contacts the Employee Benefits Division to receive approval. <p>This applies to prescription tobacco cessation drugs and over-the-counter nicotine replacement therapy (patches, gums, etc.) at a retail pharmacy or through the mail order service.</p>

Diabetes Program/Drugs
<p>A participant can receive diabetes medication and supplies at no cost, if the participant:</p> <ul style="list-style-type: none"> • Is covered under a City medical plan. • Completes requirements of the HealthyConnections Diabetes Program. • Is 18 years of age or older. <p>The benefit of receiving diabetes medication and supplies at no cost is ongoing as long as the individual stays enrolled in the program and continues to meet program requirements.</p> <p>This benefit does not include medications prescribed for related issues — such as high blood pressure and cholesterol — and it does not include durable medical equipment such as continuous glucose monitors.</p>

Consumer Tips

myNurseLine

The UnitedHealthcare myNurseLine is a resource for employees and dependents covered by a City medical plan. This 24-hour service is designed to help you save time and money by helping you access the nearest and best level of medical care. When you call myNurseLine you speak to a registered nurse who can guide you to the appropriate medical facility based on your immediate needs. For assistance call [877-440-6011](tel:877-440-6011) 24 hours a day, seven days a week.

Know Your Pharmacy Benefit

Prescription medications are categorized within three tiers on the Prescription Drug List. Each tier is assigned a cost, which is determined by your pharmacy benefit plan. Tier 1 medications offer you the lowest-cost option, while Tier 3 medications are your highest-cost option. Knowing which medications are in each tier will help you understand where you can save money.

- Go to myuhc.com or call [800-430-7316](tel:800-430-7316) to price medications.
- Check to see if using the mail order pharmacy will save you money on prescription medications you take on an ongoing basis.
- Talk to your doctor and pharmacist about identifying lower cost options.

Consider Pharmacies That Offer Discounts on Generics

Some retail pharmacies offer very low prices on select generic drugs—often less than your usual member cost—and include commonly prescribed generic medications for several conditions such as diabetes, mental health, high blood pressure and infection (antibiotics).

- Ask your doctor if there is a generic alternative that is appropriate for you.
- Check with your local pharmacy to see if it offers a discount on generic medications.

Ask About Over-the-Counter (OTC) Alternatives

An OTC medication may be the right treatment for some conditions. These medications are not covered under your pharmacy benefit, but they may cost less than your out-of-pocket expense for prescription medications.

- Ask your doctor or pharmacist if there is an OTC alternative available that is right for you.
- Check product and manufacturer websites for money saving coupons.

Tools to Manage Medical Costs

When you enroll in a City medical plan, you will want to know how much a medical service or medication will cost before you pay for it. UnitedHealthcare offers the cost estimator tool which will allow you to estimate the cost of services at different providers before you decide to seek care. Since you are responsible for all or part of the charges you can choose the provider that works best for your needs and budget. To use the UnitedHealthcare Cost Estimator Tool, login to myUHC.com, click on Estimate Healthcare Costs, enter your zip code and follow the prompts.

How To Use Mail Order

Each medical plan has a mail order prescription drug benefit that offers home delivery and, in some instances, can save you money. Generally, these programs are designed to cover drugs used to treat chronic conditions and/or medications taken for more than 31 days.

To begin using mail order:

- Have your doctor write a prescription for a 90-day supply of your medication (ask for three refills).
- Complete the mail order form and attach your prescription.
- Provide a check or credit card information.
- Mail this information to the medical plan's mail order pharmacy.

Within 7 to 14 days, your prescription will be delivered to you, postage paid.

- **CDHP w/HSA** participants will pay 20 percent of the cost once the in-network deductible is met. You can use your Optum Health Bank debit card to pay for your out-of-pocket expenses. If you have not met your in-network deductible, you will pay 100 percent of the cost. If the prescription is for a preventive care medication listed on the Expanded Preventive Drug List, no deductible is required, you will only pay 20 percent of the cost.
- **HMO** participants receive 90 days of medication for **three** copays.
- **PPO** participants receive 90 days of medication for **two** copays.

If your doctor allows you to take a generic drug, this should be indicated on the prescription. The mail order pharmacy will then fill your prescription using a generic form of your medication, if available. Three weeks before your mail order supply runs out, you will need to request a refill.

For additional information, go to myuhc.com or call UnitedHealthcare at 800-430-7316.

Diabetic Bundling – What Your Medical Plan Does for You

Participants who are required to take insulin/non-insulin can realize significant savings if they utilize the mail order service offered through UnitedHealthcare. If you submit the 90-day prescriptions through the mail order program, you will incur **three** copays if enrolled in the HMO Plan but only **two** copays if enrolled in the PPO Plan. The copay incurred is for the insulin/non-insulin prescription; the other supplies (lancets and test strips) are included at no cost to you. If you are enrolled in the CDHP w/HSA Plan and have not met your in-network deductible, you will pay 100 percent of the insulin/non-insulin prescription only. If you have met your deductible, you will pay 20 percent of the insulin/non-insulin prescription. You can use your Optum Health Bank debit card to pay for your out-of-pocket cost.

Consider participating in the HealthyConnections Diabetes Program to receive diabetes medication and supplies at no cost. This benefit is available to all participants enrolled in a City medical plan who are 18 years of age and older. See the Wellness section of this Guide for details.

Vision Plan

DAVIS VISION EYECARE REFRAMED

Healthy eyes and clear vision are an important part of your overall health and quality of life. Davis Vision will help you care for your sight while saving you money.

To view benefits and locate a provider, go to davisvision.com or call 888-445-2290.

For non-members, click on **Member** and enter **2481** for client code.

Plan Design

Covered Service – In-network Benefits (limited out-of-network benefits are available).			
Comprehensive Eye Exam – \$10 copay, one exam per calendar year.			
Frames – Once per calendar year in lieu of contact lenses. Up to \$125 retail allowance toward provider-supplied frame plus 20% off cost exceeding the allowance.* OR Any Fashion or Designer frame from Davis Vision’s exclusive Collection (with retail values up to \$175), Covered in Full . OR Any Premier frame from Davis Vision’s exclusive Collection (with retail values up to \$225), Covered in Full after an additional \$25 copay. One year eyeglass breakage warranty included at no additional cost.		Contacts – Once per calendar year in lieu of frames. Up to \$120 allowance toward provider-supplied contacts plus 15% off cost exceeding the allowance.* Standard Contacts – Evaluation, fitting fees, and follow-up care, \$25 copay applies. Specialty Contacts – Evaluation, fitting fees, and follow-up care, up to a \$60 allowance plus 15% off cost exceeding allowance*. \$25 copay applies. OR Davis Vision Collection contact lenses, evaluation, fitting fees, and follow-up care, Covered in Full after \$25 copay. (Up to 4 boxes of disposable lenses.) OR Medically necessary with prior approval, Covered in Full .	
Standard Eyeglass Lenses – Single, Bifocals, Trifocals, Lenticular, and Standard Scratch Coating. \$25 copay, once per calendar year. Polycarbonate lenses for children are covered in full up to age 19.			
Lens Options	Copay	Lens Options	Copay
Standard progressive addition lenses	\$50	Premium AR Coating	\$48
Premium progressives (i.e. Varilux, etc.)	\$90	Ultra AR coating	\$60
Intermediate-vision lenses	\$30	High-index lenses	\$55
Blended-segment lenses	\$20	Polarized lenses	\$75
Ultraviolet coating	\$12	Glass photochromic lenses	\$20
Standard anti-reflective (AR) coating	\$35	Plastic photosensitive lenses	\$65
* Additional Discounts – Not available at Wal-Mart or Sam's Club.			

Davis Vision Rates – Per Pay Period

Employee Only	\$ 2.18
Employee & Spouse or Domestic Partner	\$ 4.32
Employee & Children	\$ 4.24
Employee & Family or Domestic Partner & Children	\$ 6.45

Dental Assistance Plan

This plan allows you to choose your own dentist. Covered benefits are indicated by dental codes. A fixed fee schedule indicates the maximum amount paid per code. For detailed information, refer to the Employee Dental Assistance Plan Document online at austintexas.gov/benefits or call Erisa at 512-250-9397. To view claims activity, go to coadentalplan.com.

Plan Coverage

Preventive Care	No Deductible
\$50 Calendar Year Deductible, per covered person	
Basic Care	Deductible applies
Major Care	Deductible applies
Calendar Year Maximum <i>Includes Orthodontia expenses</i>	\$2,000 per covered person
Lifetime Orthodontia Maximum Orthodontia Treatment	\$2,000 per covered person Covered at 50% of Maximum Allowable Charge Deductible applies
Night guard, splints, implants, and over dentures	Not Covered

Orthodontia Treatment

Expenses are paid only as the work progresses. Receipts are submitted for reimbursement after you receive them from your dentist at each visit. Orthodontia benefits paid by the plan are applied toward the calendar year maximum.

The amounts reimbursable for orthodontia expenses are determined as claims are incurred throughout the course of treatment. The amount reimbursable through FLEXTRA or the HSA is the difference between the amount billed and the amount paid by the dental plan. This amount may not match the payment plan you have set up with your dentist.

Dental Rates – Per Pay Period

	Full-time 30 + Hours per week	Part-time 20 – 29 Hours per week	Part-time Less than 20 Hours per week
Employee Only	\$ 0.00	\$ 5.54	\$ 19.60
Employee & Spouse or Domestic Partner	\$ 22.18	\$ 26.58	\$ 54.88
Employee & Children	\$ 22.18	\$ 26.58	\$ 54.88
Employee & Family or Domestic Partner & Children	\$ 22.18	\$ 26.58	\$ 54.88



Lisa DeMayo, EMS, working at the City Olympics in an all-terrain emergency vehicle.

Group Term Life Insurance

Basic Life Insurance

Is provided at no cost for full-time employees. You receive one times your base annual salary with a minimum coverage of \$20,000. Base annual salary does not include shift differential, overtime, Service Incentive Pay, lump sum payments, or stipends. Part-time employees may purchase Basic Life Insurance.

Supplemental Life Insurance

Is paid entirely by you. You must have the City's Basic Life Insurance to purchase Supplemental Life Insurance. You may purchase Supplemental Life Insurance in amounts equal to 1, 2, 3, or 4 times your base annual salary.

Your Supplemental Life coverage amount is rounded down to the next closest \$1,000. Your cost is based on your age, salary, and the amount of insurance selected. You may increase your Supplemental Life coverage annually during Open Enrollment by one coverage level each year, up to a maximum of 4 times your base annual salary.

The City allows you to choose to have eligible Supplemental Life Insurance premiums deducted from your pay on a before- or after-tax basis. To do so, you must indicate this choice on your Benefits Enrollment Form.

To calculate your rates, complete the Supplemental Life Insurance Worksheet at the end of the Life Insurance section.

Choosing a Beneficiary

In the event of your death, life insurance benefits are paid to your named beneficiary or beneficiaries. The City provides a Beneficiary Designation Form for this purpose. This form covers your Basic Life, Supplemental, and your final paycheck. Unless prohibited by law, your life insurance benefits will be distributed as you indicated on your Beneficiary Designation Form. If your named beneficiary is under 18 years of age at the time of your death, court documents appointing a guardian may be required before payment can be made. You should talk with an attorney to make sure that benefits to a minor will be paid according to your wishes.

Your Beneficiary Designation Form

You can review and change your Beneficiary Designation Form any time during the year. It is important that you keep this form current so that the person or persons you want to receive your benefits are listed. To review your beneficiary information, you must visit the Employee Benefits Division of the Human Resources Department and bring a photo ID. You can complete a new form at your department's Human Resources office.

Other Beneficiary Designation Forms

To change your beneficiary designations for retirement benefits, you may need to complete one or more of the following:

- City of Austin Employees' Retirement System (COAERS) participants should call COAERS at [512-458-2551](tel:512-458-2551).
- Sworn employees with the Police Retirement System should complete a Police Beneficiary Designation Form.
- If you participate in the Deferred Compensation Plan, you can designate a beneficiary online at dcaustin.com.

City of Austin Beneficiary Designation Forms and Police Beneficiary Designation Forms are not available online. Forms are available from your department's HR Representative or at the Employee Benefits Division.

Imputed Income (I50)

The IRS requires the City to withhold taxes on the value of employer-provided group term life insurance coverage over \$50,000. This includes your combined Basic Life and Supplemental Life Insurance coverage. The life insurance coverage premium exceeding the \$50,000 limit is taxable, and is referred to as imputed income, but is also known by the IRS code "I50."

Example: John Smith is age 45 and his annual salary is \$60,000. Unless he caps his basic life benefit paid by the City at \$50,000 he will have imputed income on the premiums for \$10,000 of coverage. According to the IRS, the taxable value of a 45-year-old individual is \$0.15 per \$1,000. Therefore, John's monthly imputed income is $10 \times \$0.15 = \1.50 . To calculate your imputed income, go to the premium table at irs.gov.

Using the example above, John also elects 4 times his annual salary in Supplemental Life Insurance. John should select "no" on his enrollment form for before-tax premiums. The result is no imputed income will be reported on his supplemental life value because premiums are deducted from his pay after taxes are calculated. Imputed income is coded as I50 on your paycheck. This income is subject to federal income tax and FICA (OASDI and Medicare), and is deducted on a monthly basis.

Accidental Death and Dismemberment (AD&D) Coverage

If you are enrolled in Basic and/or Supplemental Life Insurance, you also have AD&D coverage equal to the total amount of your life insurance.

If you have an injury that results in a covered loss, as listed below, you may be eligible for a percentage of your AD&D coverage in effect on the date of the accident. The loss must occur within 365 days of the accident. Injury means bodily injury caused by an accident, occurring while coverage is in force and resulting directly and independently of all other causes in a loss covered by the AD&D policy.

Covered Loss	Percentage
Life	100%
One hand, one foot, or sight of one eye	50%
Two or more of the above losses	100%
Loss of speech	50%
Loss of hearing	50%
Thumb and index finger of same hand	25%

Loss of hands or feet means severance at or above the wrist or ankle. Loss of sight means total and irrecoverable loss of sight. Loss of speech means total and irrecoverable loss of speech. Loss of hearing means total and irrecoverable loss of hearing. Loss of thumb and index finger means the actual, complete, and permanent severance through or above the metacarpophalangeal joints.

An additional 10% of the full amount of Accidental Death and Dismemberment Benefit will be paid to your designated beneficiary or beneficiaries if you die while wearing a properly fastened, original, factory-installed seat belt in an automobile accident. However, the amount payable will not exceed \$10,000 for the Seat Belt Benefit. An additional Air Bag Benefit will be paid if certain conditions are met.

The AD&D Benefit has some limitations and exclusions. Contact the Employee Benefits Division for the list of exclusions.

Waiver of Premium

If you become totally and permanently disabled before age 65, your life insurance coverage may be continued. Total and permanent disability means that, as a result of illness or injury, you are unable to perform the duties of your own occupation or any gainful occupation for which you are reasonably suited by education, training, and experience.

The application process must be completed within one year of your last day actively at work. To apply for waiver of premium, contact the Employee Benefits Division.

To qualify for waiver of premium, you must submit written proof of your total and permanent disability to the insurance carrier. If approved, you will not be charged a premium. The insurance carrier may periodically require you to submit proof of your continuing disability.

Accelerated Death Benefit

If you are terminally ill, the life insurance carrier offers an accelerated death benefit that allows you to receive part of your life insurance money prior to your death.

If you are diagnosed as terminally ill by a doctor, contact the Employee Benefits Division to apply for accelerated benefits. The insurance carrier may require you to be examined by a doctor of their choice, at their expense. If you are approved for an accelerated benefit it is payable in a lump sum up to 50% of the amount of your life insurance coverage. The accelerated benefit can be used with Basic and/or Supplemental Life Insurance and is subject to a minimum payout of \$10,000 and a maximum payout of \$500,000.

Accelerated benefits are payable only once during your lifetime. Some exclusions apply. Refer to the appropriate life insurance certificates for additional information. Accelerated benefits do not apply to Dependent Life Insurance.

Filing a Life Insurance Claim

When you or your covered dependent dies, a life insurance claim must be filed with the Employee Benefits Division and the appropriate documents submitted:

- Employee death – one original death certificate. Additional documents will be required if death is due to an accident.
- Dependent death – one original death certificate.
- Life insurance claim forms.

All life insurance claims are paid in one lump sum, unless you request another method of payment in writing and the insurance carrier approves your request.

Your Right to Convert

The Basic and Supplemental Life Insurance that you have as an employee and the Dependent Life Insurance coverage on your eligible dependents terminates when you separate employment with the City because the group policy is Term Life insurance. Upon retirement or termination, you can convert your group policy to an individual policy with the life insurance carrier (subject to plan limitations). If you convert to an individual policy please be aware that the cost of an individual policy may be significantly higher than the group plan due to your age. You must apply and pay your first premium no later than 31 days after the date the coverage has ended. For additional information on conversion to an individual policy, contact the Employee Benefits Division at [512-974-3284](tel:512-974-3284).

Dependent Life Insurance

Is available for your spouse, domestic partner, and children. AD&D coverage is not available for dependents. You must be covered under Basic Life Insurance offered by the City to be eligible to purchase Dependent Life Insurance. There are two options to choose from when purchasing coverage for your dependents. If you choose to enroll your dependents for Dependent Life Insurance coverage, you are the beneficiary under the plan.

Dependent Life Insurance Rates – Per Pay Period

Option 1	Coverage Amount	Rate
Spouse or Domestic Partner	\$10,000	\$.87
Children	\$ 5,000	\$.14
Family or Domestic Partner & Children	\$10,000/\$5,000	\$1.02
Option 2	Coverage Amount	Rate
Spouse or Domestic Partner	\$20,000	\$2.04
Children	\$10,000	\$.35
Family or Domestic Partner & Children	\$20,000/\$10,000	\$2.38

*Remember to update your Beneficiary Designation Form
when you experience a qualifying life event.*



Shane Kirk, APD, next to his patrol vehicle, the police helicopter.

Supplemental Life Insurance Worksheet

Employees must have Basic Life Insurance offered by the City to purchase Supplemental Life Insurance.

You may purchase Supplemental Life Insurance in amounts equal to 1, 2, 3, or 4 times your base annual salary. Base annual salary does not include shift differential, overtime, Service Incentive Pay, lump sum payments, or stipends.

To estimate your pay period cost for Supplemental Life Insurance, follow these steps or go to austintexas.gov/benefits.

1. Determine your **Base Annual Salary**. Do not include any hours for overtime.

$$\underline{\hspace{2cm}} \text{ Hour Work Week} \times 52 \text{ weeks} = \underline{\hspace{2cm}} \text{ Hours} \times \$ \underline{\hspace{2cm}} = \$ \underline{\hspace{2cm}}$$

Hourly Rate Base Annual Salary

2. To find the **Supplemental Life Amount**, multiply your **Base Annual Salary** (from Step 1) by 1, 2, 3, or 4. Then round your answer down to the next closest \$1,000.

$$\$ \underline{\hspace{2cm}} \times 1, 2, 3, \text{ or } 4 = \$ \underline{\hspace{2cm}}$$

Base Annual Salary Supplemental Life Amount

3. To find the **Number of \$1,000 Units**, divide the **Supplemental Life Amount** (from Step 2) by 1,000.

$$\$ \underline{\hspace{2cm}} \div 1,000 = \underline{\hspace{2cm}}$$

Supplemental Life Amount Number of \$1,000 Units

4. To find your **Pay Period Cost**, multiply the **Number of \$1,000 Units** (from Step 3) by the **Cost Per \$1,000 of Coverage** for your age group (see chart below). The answer in Step 4 is your estimated cost per pay period.

$$\underline{\hspace{2cm}} \times \$ \underline{\hspace{2cm}} = \$ \underline{\hspace{2cm}}$$

Number of \$1,000 Units Cost per \$1,000 Pay Period Cost

Age	Cost Per \$1,000 of Coverage
34 and under	\$0.031
35 to 39 years	\$0.036
40 to 44 years	\$0.047
45 to 49 years	\$0.078
50 to 54 years	\$0.115
55 to 59 years	\$0.177
60 to 64 years	\$0.230
65 to 69 years	\$0.366
70 and older	\$0.844

Disability

Short Term Disability (STD)

Coverage is provided at no cost for employees who are in a regular budgeted position and are scheduled to work 20 or more hours per week. The following information is only a summary of the program. STD covers **off-the-job** injuries, illnesses, and pregnancies.

Definition of Disability

Total disability or totally disabled means that you are prevented by illness, injury, or pregnancy from performing the essential duties of your occupation.

Benefit Amount

70% of your base weekly salary, up to \$1,200 per week. The minimum payment is \$15 per week. This is a taxable benefit.

Coverage Period

You must satisfy a 30-day waiting period. During the waiting period you may use paid leave, but you must be off work continuously for 30 days. Benefits are payable on the 31st day, up to 60 days.

Reduction in Benefits

Once approved for STD benefits, you must stop using any paid leave. Your STD benefits will be reduced by any paid leave or work earnings you receive from the City.

Filing a Claim

You must file a claim with the Employee Benefits Division within 60 days of your disability date. The Employee Benefits staff will assist you with the application process. The insurance carrier determines whether the claim is approved or denied and notifies you of the determination in writing.



Worker completing AWU Water Treatment Plant #4.

Eligibility for Other Benefits

While receiving STD benefits, you may be eligible to continue medical, dental, vision, life insurance, and other benefits. Your eligibility depends on if you:

- Return to work.
- Go on an approved Leave of Absence.
- Go on FMLA leave.
- Pay any required premiums.
- Retire or terminate your employment.

When Benefits End

Your STD benefits automatically end on the earliest of the following dates:

- The date you are no longer disabled.
- The date you fail to furnish proof of loss.
- The date you are no longer under the care of a physician.
- The date you refuse the carrier's request to submit to an examination by a physician or other qualified medical professional.
- The date your maximum benefit period ends.
- The date of your death.
- The date Long Term Disability (LTD) benefits become payable under the City's LTD program.

Exclusions and Limitations

STD coverage has the following exclusions or limitations:

- Is due to intentionally self-inflicted injury.
- Is due to war or any act of war (declared or not declared).
- Results from your commission of or attempt to commit a felony or your engagement in an illegal occupation.
- Is an occupational disease.
- Is an occupational injury.
- Is not under the ongoing care of a physician.

If you have another STD policy, check with your insurance carrier or agent to determine whether its benefits are affected by the City's STD program.

Long Term Disability (LTD)

Coverage is an employee-paid benefit offered to employees who are in a regular budgeted position and are scheduled to work 20 or more hours per week. The following information is only a summary of the program. LTD covers **on** and **off-the-job** injuries, illnesses, and pregnancies.

Definition of Disability

During the 90-day benefit waiting period and until benefits have been paid for 24 months, you are considered disabled if, as a result of illness, injury, or pregnancy, you are unable to perform the material duties of your own occupation with reasonable continuity and experience a 20% loss of earnings.

After benefits have been paid for 24 months, you are considered disabled if, as a result of physical disease, mental disorder, injury, or pregnancy, you are unable to perform the material duties of any occupation. This includes any occupation for which you are reasonably suited by education, training, and experience and you experience a 20% loss of earnings.

Benefit Amount

If approved, your benefit amount is 60% of your base monthly salary, up to \$7,500 per month. The minimum monthly payment is the greater of \$100 or 10% of your monthly benefit prior to any reduction for other income benefits. This is a non-taxable benefit.

Coverage Period

You must satisfy a 90-day waiting period. During the waiting period you may use paid leave or STD benefits, but you must be off work a total of 90 days. Benefits are payable until you are no longer disabled or are no longer qualified for LTD.

Reduction in Benefits

Once approved for LTD benefits, you must stop using any paid leave. Your LTD benefits will be reduced by any paid leave or work earnings you receive from the City.

Filing a Claim

You must file a claim with the Employee Benefits Division within 180 days of your disability date. The Employee Benefits staff will assist you with the application process. The insurance carrier determines whether the claim is approved or denied and notifies you of the determination in writing.

Eligibility for Other Benefits

While receiving LTD benefits, you may be eligible to continue medical, dental, vision, life insurance, and other benefits. Your eligibility depends on if you:

- Return to work.
- Go on an approved Leave of Absence.
- Go on FMLA leave.
- Pay any required premiums.
- Retire or terminate employment.

When Benefits End

Your LTD benefits automatically end on the earliest of the following dates:

- The date you are no longer disabled.
- The date you fail to furnish proof of loss.
- The date you are no longer under the care of a doctor.
- The date you refuse the carrier's request to submit to an examination by a physician or other qualified medical professional.
- The date you refuse to participate in a rehabilitation program.
- The date your maximum benefit period ends.
- The date of your death.

If you are filing for benefits at age 62 or older, the chart below indicates how many months you are eligible to receive LTD benefits.

Age	Maximum Benefit Period
62 but less than 63	42 months
63 but less than 64	36 months
64 but less than 65	30 months
65 but less than 66	24 months
66 but less than 67	21 months
67 but less than 68	18 months
68 but less than 69	15 months
69 or older	12 months

Exclusions and Limitations

LTD coverage has the following exclusions and limitations:

- Is due to intentionally self-inflicted injury.
- Is due to war or any act of war (declared or not declared).
- Results from your commission of or attempt to commit a felony or your engagement in an illegal occupation.
- Is not under the ongoing care of a physician.
- Pre-existing conditions.
- Disability exceeds a limited benefit period. Some conditions are limited to 24 months. Please refer to the policy booklet for details.

If you have another LTD policy, check with your insurance carrier or agent to determine whether its benefits are affected by the City's LTD program.

Long Term Disability Worksheet

Your LTD premium is based on your base annual salary and age. Base annual salary does not include shift differential, overtime, Service Incentive Pay, lump sum payments, or stipends.

To estimate your pay period cost for LTD coverage, follow these steps, or go to: <http://cityspace>. Click on **Employee Benefits** and scroll down to **Disability Programs**. You can also go to austintexas.gov/benefits.

1. Determine your **Base Annual Salary**. Do not include any hours for overtime.

$$\underline{\hspace{2cm}} \text{ Hour Work Week} \times 52 \text{ weeks} = \underline{\hspace{2cm}} \text{ Hours} \times \$ \underline{\hspace{2cm}} = \$ \underline{\hspace{2cm}}$$

Hourly Rate Base Annual Salary

2. To find the **Number of \$100 Units** of coverage you may buy, divide your **Base Annual Salary** (from Step 1) by 100.

$$\frac{\$ \underline{\hspace{2cm}}}{\text{Base Annual Salary}} \div 100 = \underline{\hspace{2cm}}$$

Number of \$100 Units

3. To find your **Annual Cost**, multiply the **Number of \$100 Units** (from Step 2) by the **Cost Per \$100 of Base Annual Salary** for your age group (see chart below). Your answer in Step 3 is your estimated annual cost.

$$\frac{\$ \underline{\hspace{2cm}}}{\text{Number of \$100 Units}} \times \$ \underline{\hspace{2cm}} = \$ \underline{\hspace{2cm}}$$

Cost per \$100 Annual Cost

4. To find your **Pay Period Cost**, divide your **Annual Cost** (from Step 3) by 24 pay periods. The answer in Step 4 is your estimated cost per pay period.

$$\frac{\$ \underline{\hspace{2cm}}}{\text{Annual Cost}} \div 24 \text{ pay periods} = \$ \underline{\hspace{2cm}}$$

Pay Period Cost

Age	Cost Per \$100 of Base Annual Salary
29 and under	\$0.094
30 to 39 years	\$0.127
40 to 49 years	\$0.274
50 to 59 years	\$0.512
60 to 69 years	\$0.391
70 and older	\$0.137

FLEXTRA

FLEXTRA helps you keep more of your pay by reducing the amount of federal taxes deducted. Participating in FLEXTRA allows you to pay for certain expenses on a before-tax basis. These include childcare expenses and most out-of-pocket medical, prescription, dental, and vision care expenses.

FLEXTRA accounts are regulated by IRS code Section 125 and administered by Erisa for the City of Austin. You may choose to participate in one or both of these accounts:

- FLEXTRA Health Care Account
- FLEXTRA Dependent Care Account

To view account activity, balances, and submit a claim form, go to coaflextra.com.

IMPORTANT NOTE

CDHP w/HSA participants are not eligible to enroll in FLEXTRA Health Care. You can contribute pre-tax money to pay for eligible medical, prescription, dental, and vision expenses through an HSA.

Use it or Lose It

Estimate the money you put aside in your FLEXTRA accounts carefully. Money for eligible expenses not claimed by the deadlines listed below will be forfeited.

Deadlines to Remember

- March 15, 2016, to incur eligible IRS expenses.
- May 31, 2016, to submit claims for reimbursement from your 2015 accounts.

FLEXTRA Health Care Account

You can use your FLEXTRA Health Care Account to pay for eligible medical, prescription, dental, and vision care expenses.

To participate, you:

- Estimate your out-of-pocket expenses for the calendar year using the FLEXTRA Health Care Worksheet at the end of the FLEXTRA section. If you enroll mid-year, estimate your expenses for the eligible pay periods remaining for the calendar year.
- Choose the amount to be deducted from your paycheck (up to \$104 per pay period based on 24 pay periods per year with a maximum of \$2,496).

Examples of **Eligible Expenses** include, but are not limited to:

- Copays, deductible and coinsurance amounts, and facility fees.
- Expenses for hearing aids.
- IRS approved over-the-counter drugs (must have a prescription from your physician).
- Medical and dental expenses in excess of the Maximum Allowable Charge or Plan limits.
- Vision care expenses (exams, glasses, contact lenses, and vision correction surgery).

Examples of expenses that **cannot** be reimbursed through the FLEXTRA Health Care Account include, but are not limited to:

- Premiums for health coverage.
- Expenses reimbursed by any other plan or policy.
- Expenses for vitamins and cosmetics.
- Cosmetic surgery.
- Over-the-counter drugs without a prescription.
- Expenses incurred before your effective date or after your term date.

For a complete list of eligible expenses, call Erisa at [512-250-9397](tel:512-250-9397).

Use the FLEXTRA Health Care Benefits Card for Added Convenience

When you enroll in the FLEXTRA Health Care Account, you will receive a FLEXTRA Health Care Benefits Card to pay for eligible expenses. Your account will be credited with the total amount you have elected for the year. When you use your card, approved expenses are automatically deducted from your FLEXTRA Health Care Account. You can always review your card balance at coaflextra.com.

The advantages of using the card are listed below:

- Instant access to your Health Care Account funds.
- No need to use out-of-pocket dollars.
- No claims to file.
- No waiting for reimbursement checks.



FLEXTRA Health Care Benefits Card

Here's How it Works:

- Use your card to pay for eligible expenses anywhere MasterCard is accepted.
- **Keep your receipts** to verify the expense is eligible.
- If you present your card for payment and you have exceeded the amount you have set aside for the year, use of the card will be denied.
- You cannot use your card for over-the-counter drugs.

You May File a Claim

You may choose not to use your benefits card and instead file claims for reimbursement; it's your choice. To do so, you complete a FLEXTRA Health Care claim form and submit the form along with your paid receipts and/or Explanation of Benefits directly to Erisa. Claims for eligible over-the-counter drugs must be sent to Erisa along with your physician's prescription.

FLEXTRA Health Care Carryover

If you have money left in your account from the previous year, you may use your card to pay for out-of-pocket expenses incurred before March 15, 2016. You may also pay for these expenses at the point of service, and then submit a paper claim by May 31, 2016, along with your receipts to Erisa for reimbursement, indicating the year for which it applies.

A Real Life Example of the FLEXTRA Health Care Account

Neil needs dental surgery in February 2015. After the dental plan pays its portion, Neil will owe \$1,200.

During Open Enrollment, Neil decided to have \$50 per pay period put into his FLEXTRA Health Care Account on a pre-tax basis. There are 24 benefits deductions taken during the calendar year (24 pay periods x \$50 = \$1,200). Then \$1,200 is placed in Neil's FLEXTRA Health Care Account on January 1, 2015, even though the money hasn't yet been deducted from Neil's biweekly paychecks.

When Neil has surgery in February, he uses his card to pay his portion of the bill (\$1,200). Each pay period, Neil will see a \$50 deduction taken from his paycheck. Neil is reimbursing his FLEXTRA Health Care Account for the \$1,200.

By participating in the FLEXTRA Health Care Account, Neil paid for his surgery with money that was not taxed. In addition, Neil did not have to pay his portion of the bill (\$1,200) out of his pocket.

Employees are often under the impression that all "medical expenses" can be deducted from their individual tax return. Generally, that is not the case. The expenses that can be deducted on the tax return are those expenses that exceed 10% of your adjusted gross income.

FLEXTRA Health Care Account Worksheet

Use this worksheet to estimate your out-of-pocket expenses for the year (January 1, 2015 to December 31, 2015). Some common FLEXTRA Health Care expenses are listed below or go to irs.gov.

	Employee	Dependents	Total
Prescription Copays	<i>You save money by using generic drugs. Review your maintenance and prescribed over-the-counter drugs to see if you are choosing the most economical option.</i>		
Medications (including prescribed over-the-counter drugs)			\$
Doctor Visit Copays			\$
Scheduled			
Non-Scheduled			
Medical Procedures	<i>Some examples of eligible expenses include laser eye surgery, outpatient surgery, hospital copays, coinsurance, and hospital stays.</i>		
Procedures			\$
Dental Care Costs	<i>Examples include orthodontia, root canals, crowns, fillings, night guards, splints, etc.</i>		
Routine dental expenses			\$
Specialized procedures			\$
Orthodontia			\$
Vision Care Costs			\$
Estimated annual total of out-of-pocket health care expenses.			\$
Divide total by 24 payroll deductions. If you enroll mid-year, estimate your expenses for the eligible pay periods remaining for the calendar year.			÷
Your Estimated contribution per pay period, based on 24 pay periods. <i>Maximum deduction is \$104 per pay period (cannot exceed \$2,496).</i>			\$



Virgilio Raza, PARD, striping a softball field in preparation for the City Olympics.

FLEXTRA Reimbursement Tips

1. Receipts: Whether you (or a family member) choose to use the FLEXTRA Health Care Benefits Card or file claims, always keep your receipts and save copies of the medical plan's Explanation of Benefits.
2. Orthodontia expenses: The amounts reimbursable for orthodontia expenses are determined as claims are incurred throughout the course of treatment. The amount reimbursable through FLEXTRA is the difference between the amount billed and the amount paid by the dental plan. This amount may not match the payment plan you have set up with your dentist.
3. Remember that FLEXTRA is a "use it or lose it" benefit. Carefully estimate your expenses before deciding on a deduction amount.

FLEXTRA Dependent Care Account

If you pay for day care or after school care, consider enrolling in the City's FLEXTRA Dependent Care Account. Why not **save** income taxes on your childcare expenses? A Dependent Care Account usually will save you more in taxes than the Federal Tax Credit; however, it depends on your income. You can view and submit claims at coaflextra.com.

Your child must be under age 13, unless physically or mentally incapable of self-care, and spend at least eight hours a day in your home.

Dependent care must be used to enable you, or if you are married, you and your spouse, to be gainfully employed or to attend school full-time. Generally, your spouse must have earnings from employment that are at least equal to the amount you contribute to the FLEXTRA Dependent Care Account.

Example of how the FLEXTRA Dependent Care Account works:

Susan's gross pay is \$1,000 per pay period. In her Dependent Care Account, she sets aside \$4,800 per year (\$200 per paycheck, based on 24 pay periods annually) for childcare expenses.

This example shows how being enrolled in FLEXTRA Dependent Care makes it possible for Susan to take home more money by reducing her taxable income.

Per Pay Period	Paycheck With FLEXTRA Dependent Care	Paycheck Without FLEXTRA Dependent Care
Gross Pay	\$ 1,000.00	\$ 1,000.00
Dependent Care expenses deducted before taxes	\$ - 200.00	\$ 0.00
Taxable Pay	\$ 800.00	\$ 1,000.00
Social Security/Medicare at 7.65% of taxable pay	\$ - 61.20	\$ - 76.50
Income Tax at 15% tax bracket	\$ - 120.00	\$ - 150.00
After-Tax Pay	\$ 618.80	\$ 773.50
Paying for Dependent Care after taxes	\$ 0.00	\$ 200.00
Take Home Pay	\$ 618.80	\$ 573.50

If you participate in the FLEXTRA Dependent Care Account:

1. Estimate your out-of-pocket dependent care expenses for the calendar year using the Dependent Care Worksheet on the following page.
2. Choose the amount to be deducted from your pay, up to \$208 per pay period, based on 24 pay periods per year. If you enroll mid-year, estimate your expenses for the eligible pay periods remaining for the calendar year.
3. Incur eligible IRS expenses. You may submit claims for babysitters, companions, or day care centers as allowed by the IRS. Your claim must include the name, address, and Social Security Number or Tax ID number of the childcare provider.
4. Submit a FLEXTRA Dependent Care claim form and a copy of your paid receipts directly to Erisa. You may not claim expenses paid to a relative claimed on your or your spouse's federal tax return, or who is your child or stepchild and is under age 19 at the end of the tax year.
5. Receive reimbursement. Checks are mailed to you on a weekly basis for the amount of your eligible expenses, up to the current balance in your account. If your expenses are greater than the balance in your account, you will receive additional reimbursements as more before-tax dollars are placed in your account.

If you have any questions, call Erisa at [512-250-9397](tel:512-250-9397).

FLEXTRA Dependent Care Account Worksheet

Use this worksheet to estimate your expenses for the year (January 1, 2015 to December 31, 2015). Some common FLEXTRA Dependent Care expenses are listed below or go to irs.gov.

Activity	Monthly Cost	Number of Months	Number of Children	Total Cost
Day Care – 6 years and under, still not in first grade	\$	X _____ months	X _____ children	\$
Before school childcare, children up to age 13	\$	X _____ months	X _____ children	\$
After school childcare, children up to age 13	\$	X _____ months	X _____ children	\$
Summer care or day camp, children up to age 13	\$	X _____ months	X _____ children	\$
Estimated annual total of out-of-pocket dependent care expenses.				\$
Divide total by 24 payroll deduction. If you enroll mid-year, estimate your expenses for the eligible pay periods remaining for the calendar year.				÷
Your Estimated contribution per pay period, based on 24 pay periods. <i>Maximum deduction is \$208 per pay period (cannot exceed \$4,992).</i>				\$

If you are this limit applies for your family each year. These limits may be reduced if you also participate in a City Childcare Program.
Single	\$4,992
Married, filing a joint tax return	Lesser of \$4,992 , your income, or your spouse's income
Married, filing separate tax returns	Lesser of \$2,496 , your income, or your spouse's income
Married with a spouse who is disabled or is a full-time student at least five calendar months of the year	\$2,496 if you have one dependent; \$4,992 if you have two or more dependents



Children playing in the Liz Carpenter fountain at Butler Park.

FLEXTRA and the City's Childcare Programs

If you participate in both the FLEXTRA Dependent Care Account and one of the City's Childcare Programs during the same year, funds you receive from the combined programs in excess of \$5,000 are taxable under IRS guidelines. For instance, if a single parent elected the maximum FLEXTRA Dependent Care deduction of \$4,992 and received a \$500 summer camp program scholarship, the parent would be taxed on the \$492 exceeding the limit. If you have questions, call the Employee Benefits Division at [512-974-3284](tel:512-974-3284).

FLEXTRA Additional Information

If you do not participate in Open Enrollment, your annual elections will continue for the following year.

Enrolling In or Changing Your FLEXTRA Accounts

You can enroll or make changes to your FLEXTRA accounts for the following three reasons:

1. As a new employee.
2. During Open Enrollment.
3. Within 31 days of a qualifying life event.

Examples of qualifying life events are:

- Marriage or divorce.
- Birth or adoption of a child.
- Death of a spouse or child.
- Beginning or end of spouse's employment.
- Changes to your childcare.
- Reduction in hours worked, which affects eligibility for benefits.

Leaving City Employment

FLEXTRA Health Care Account

If you terminate employment with the City, you will have until May 31, 2016 to submit claims to Erisa for expenses that were incurred while you were employed with the City and you contributed to your FLEXTRA Health Care Account.

If you have money remaining in your FLEXTRA Health Care Account, you may continue your participation through COBRA. For more information call Erisa, the City's COBRA Administrator, at [512-250-9397](tel:512-250-9397).

FLEXTRA Dependent Care Account

If you terminate employment with the City, you will have until March 15, 2016 to incur expenses and submit claims to Erisa by May 31, 2016 to receive reimbursement for funds accrued in your FLEXTRA Dependent Care Account.

Call Erisa at [512-250-9397](tel:512-250-9397) for more information on your FLEXTRA Accounts.

FLEXTRA Health Care and Dependent Care Review

1. FLEXTRA is governed by and must comply with the rules of the IRS.
2. FLEXTRA accounts do not result in tax savings for everyone. You should discuss with a tax advisor or obtain information from the IRS. Go to irs.gov.
3. You may continue contributions to your FLEXTRA Health Care Account through COBRA.
4. You may only make changes to your FLEXTRA accounts within 31 days of an IRS permitted change or during Open Enrollment.
5. You may set aside up to \$104 per pay period for FLEXTRA Health Care.
6. You may set aside up to \$208 per pay period for FLEXTRA Dependent Care.
7. USE IT OR LOSE IT! You have until March 15, 2016 to incur expenses and until May 31, 2016 to submit claims for reimbursement from your 2015 accounts.
8. Dependents must be eligible under IRS Code, Section 125.



Nico Hauwert, WPD< and cave crew clearing a sink hole to protect water quality in Barton Springs Pool.

Group Legal Plan

ARAG offers affordable legal resources, services and representation to help employees plan for, protect against, and resolve legal issues. Visit araglegalcenter.com and enter access code **17886COA** to learn more about the plan and to research legal topics. You can also call **800-247-4184** to speak with an ARAG Customer Care Specialist.



Receive the Following Plan Benefits

To address and resolve legal or financial matters, you can work directly with an Attorney in-office, over the phone, or access helpful online legal tools and documents. Review the following plan benefits:

- **In-Office Legal Services:** Visit in-office with an ARAG Network Attorney who will provide document preparation and review, advice and legal representation, including court representation.
- **Legal Hotline:** Offers you unlimited legal advice from Network Attorneys who can help you better understand most general legal issues and how to address them. Plus, they can help you review or prepare documents, including a Standard Will.
- **Identity Theft Services:** Certified Identity Theft Case Managers guide you through the steps of prevention and are there to assist you in recovery if your identity is stolen.
- **Financial Wellness Hotline:** Includes guidance and education on a wide range of financial topics - cash and debt management, budgeting, retirement planning, federal tax information and more - from a Financial Counselor.
- **Online Legal Services:** Access helpful legal resources and educational articles through the Education Center at araglegalcenter.com and create DIY Docs from a library of hundreds of state-specific document templates.
- **Discounted Services:** For legal matters which are not covered and not excluded you can still receive at least 25 percent off of the normal attorney rates.

Review the Comprehensive Plan Coverages

You can rely on a comprehensive array of legal services, many of which are **100 percent paid-in-full** when you work with a Network Attorney. Here are examples offered through the plan:

- | | | |
|--|---|--|
| <ul style="list-style-type: none">• Defense of Civil Damage Claims• Consumer Protection Issues• Criminal Matters• Landlord/Tenant Matters• Bankruptcy (Chapter 7 & 13) | <ul style="list-style-type: none">• Real Estate Matters• Small Claims Court• Tax Issues• Wills and Estate Planning• Name Change | <ul style="list-style-type: none">• Adoption• Child Custody (up to 8 hours)• Divorce• Traffic Matters• Debt Collection |
|--|---|--|

Divorce – Contested divorce coverage is limited to 25 hours, uncontested divorce coverage is unlimited.

Locating Network Attorneys – As a member, you have access to a nationwide network of more than 6,400 experienced attorneys who can provide legal guidance and assistance. To search for an attorney near you, use the Attorney Finder feature on the website or call for assistance. If there are no Network Attorneys located within 30 miles of your home, ARAG will locate an attorney at no extra cost or loss of benefit to you.

Your Right to Convert – If you are no longer eligible for the plan (leave City employment) you have the option of purchasing a similar plan through ARAG. You have 90 days after your coverage ends to enroll in the plan.

ARAG Rates – Per Pay Period

Employee Only	\$ 5.45
Employee & Family	\$ 7.40

Employee Wellness

- HealthyConnections



Christopher Marshall, ARR employee, distributing Farm to Work baskets at Rutherford Center.



For Fiscal Year 2014, the City of Austin will spend an estimated \$133 million on medical and pharmacy claims for employees. Almost half of those dollars are spent on preventable health conditions, caused by factors such as tobacco use, unhealthy diet, and lack of exercise.

The cost of poor health has a significant impact on our organization, our employees, and their families. Wellness programs can reduce the burden of illness and health risks, which leads to a healthier workforce and measurable cost savings.

The City's award-winning employee wellness program offers a wide range of activities to encourage and support healthy lifestyles. Located in the Employee Benefits Division of the Human Resources Department, HealthyConnections:

- Engages employees in activities that improve health and fitness.
- Fosters a productive workforce and improves the quality of life for employees and their families.
- Works to achieve a reduction in medical claims and more affordable health care for everyone.

With your supervisor's approval, you may be able to use flex time to attend wellness activities during the work day and make up the time later in the week.

Engaged Employees

Why is wellness important? Employees who are engaged in wellness help lower the City's medical cost. "Engaged employees" are employees who participate in at least one wellness activity per year. Based on claims data, engaged employees have an average of \$384 less in medical costs each year.

According to claims data, engaged employees have lower average medical expenses, however, they have a higher disease rate and utilization of Primary Care and Preventive Care. Engaged employees have shorter hospital stays and lower inpatient costs. These savings are beneficial for the organization and they also save money for the individual.

Find Out About Wellness

For detailed information, visit the HealthyConnections website at <http://cityspace> and click on the wellness icon. You can sign up for most wellness activities on TRAIN. Also watch for featured articles in *Cityspace*, *CitySource Today*, and the *HR Update*. If you have questions, contact a Wellness Consultant.

Email: HealthyConnections@austintexas.gov

Phone: 512-974-3284

Department Health Promotion Teams

Each City department has a Health Promotion Team (HPT) made up of volunteers who understand the importance of wellness. For a current list, visit the HealthyConnections website. If you are interested in fitness, nutrition, health care, or any of the HealthyConnections programs, contact your HPT member. If you are interested in joining an HPT, visit with your supervisor for approval. Then send an email to HealthyConnections.

Health Assessments

The City strives to achieve a healthy workplace — for the benefit of its employees and for the sustainability of the organization. Like other Texas cities, the City of Austin is requiring employees to be more accountable for their health. An important tool is a health assessment, which provides a "snapshot" of an individual's health. Identifying health risks leads to early intervention, resulting in better outcomes and less-costly treatment.

Employees can:

1. Complete a finger stick screening at a City event to get their health numbers such as cholesterol and glucose, plus height and weight. To register for an appointment, call 877-366-7483.
OR
2. Use lab results obtained through their doctor to get their health numbers.

These health numbers are then used to complete the online questionnaire at myuhc.com.

When the questionnaire is completed, employees receive a confidential report with recommendations for improving health and fitness. This information is available any time at myuhc.com. Note that all personal health information remains confidential. The City receives only group data. This group data is used to develop targeted programs that address employee health issues.

New Tobacco Premium

Tobacco use remains the number one preventable cause of death and disability in the United States. The City of Austin is committed to promoting the health and well-being of its employees.

For 2015, employees enrolled in a City medical plan and who use tobacco will pay \$12.50 per pay period beginning January 2015. Non-tobacco users must complete the Tobacco Certification Form to avoid paying the Tobacco Premium. The Tobacco Premium is waived for employees who certify they do not use tobacco or have successfully completed the Tobacco Cessation 101 class.

A tobacco user is defined by the City as a person who is currently using tobacco products, including but not limited to cigarettes, cigars, chewing tobacco, snuff, pipes, snus, sheesha, and electronic cigarettes.

Employees who complete the Tobacco Cessation Class will have the deduction stopped the following pay period.

Tobacco Cessation 101

HealthyConnections offers Tobacco Cessation 101, a two-part class, to help employees live tobacco-free. Classes, which are designed for all tobacco users, are available at worksites across the City. Part 1, which is two hours, includes thirty minutes with a trained counselor to develop a Live Tobacco Free plan for each participant. Part 2 is a one-hour class, scheduled a few weeks later, for check-in and support.

Individuals who complete the class and contact the Employee Benefits Division to receive approval are eligible to receive cessation medication (including over-the-counter products) free for six months with a doctor's prescription. Employees, spouses, and eligible dependents (age 18 years and older) who are enrolled in a City medical plan are eligible for this benefit. Ask a HPT member in your department for the schedule, check the HealthyConnections website, or look on TRAIN. The Tobacco Premium is dropped the following pay period for employees who complete the two-part Tobacco Cessation Class. There are no Tobacco Premium refunds.



Karl Popham, AE, getting a finger stick blood test during a Health Assessment at a Health Expo.

Diabetes Programs

The City is committed to addressing the growing issue of diabetes in the workforce. HealthyConnections has developed programs to help employees and dependents age 18 and older manage their condition and improve quality of life. The programs are available to individuals covered under a City medical plan who have been diagnosed with diabetes.



The City of Austin, like other organizations nationwide, is addressing the increase of individuals with diabetes. Of 24,947 covered lives, nine percent or 2,844 people had a diabetic claim. In 2013, these claims made up 22 percent of the City's total medical claim spend.

Diabetes can be a very serious condition if not properly managed, including complications such as heart attack, stroke, blindness, kidney failure, and amputations. Type 2 diabetes can be delayed or prevented entirely in individuals who are prediabetic through weight management, a healthy diet, and regular exercise.

Diabetes Program

Participants who complete the program can receive diabetes medication and supplies at no cost (no deductible, no copays). This benefit does not include medications prescribed for related issues — such as high blood pressure and cholesterol — and it does not include durable medical equipment such as continuous glucose monitors.

To enroll, call the Seton Diabetes Education Center at [512-324-1891](tel:512-324-1891) (choose Option 2).

Prediabetes

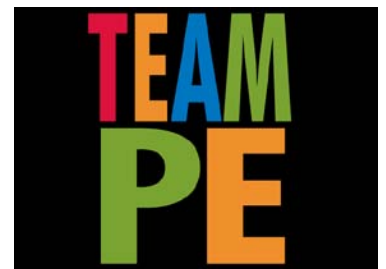
This lifestyle intervention program is designed to help individuals at high risk reduce their chances of developing Type 2 diabetes through education, healthy eating, and regular exercise.

PE Program

HealthyConnections offers free exercise classes at a variety of worksites and other locations to help employees improve their fitness and health. The PE program focuses on beginners and encourages participants to go at their own pace. The program is accessible, inclusive, educational, and results-oriented.

The program is offered year round and includes many types of exercise. Examples include yoga, strength training, bike (spin), Zumba, boot camps, golf, and basketball in addition to several Walk and Run/Walk options.

Classes are offered on a quarterly basis, and registration is on the HealthyConnections website (not TRAIN). Employees (excluding temporary employees) who attend 10 out of 12 workouts and complete a Health Assessment can earn four hours of ADL in any two of the four PE quarters.



Health & Lifestyle Expo

HealthyConnections sponsors Citywide health and lifestyle expos at Palmer Events Center. Expos offer Health Assessment screenings for employees and an opportunity for employees, retirees, and family members to visit with a wide variety of vendors about health, nutrition, fitness, and other topics. Watch for information on the wellness website, in *CitySource Today*, and the *HR Update*. All employees are invited to attend.

Health Campaigns

Throughout the year, HealthyConnections sponsors activities based on national awareness campaigns designed to educate employees about healthy lifestyles. Examples of City health awareness campaigns are listed below, along with facts that support why these campaigns are important.



Health Promotion Team member Kristi Fenton, AWU, helps Armando Zamarripa, PARD, log in to complete his Health Assessment during a Health Expo.

Heart Health Month in February

The City partners with the American Heart Association to promote heart health with a "wear red day" event.

- Medical claims for a condition of the circulatory system are the third-highest cost by diagnosis category.
- On an annual basis, the City spends more than \$4 million on claims related to circulatory conditions for employees and retirees.
- Based on Health Assessment data, blood pressure is the number two health risk for City employees.

Donate Life Month in April

The City observes Donate Life Month to encourage employees to become an organ, tissue, marrow, or blood donor.

Individuals can indicate this choice on their driver's license and can add their name to the Texas donor registry. The program can save lives and contributes to a more compassionate society.

Men's Health Month in June

The City's award-winning campaign for Men's Health has included a yoga series for men, boot camps, and seminars on men's health. The campaign was prompted by facts such as these:

- Men have a higher incidence of high-cost claims (claims greater than \$50,000) and total medical claims costs are higher for men than for women.
- Men have a low utilization (especially when compared to females) for all services, specifically primary care visits and wellness-related services.

Breast Cancer Awareness in September and October

The annual Breast Cancer Awareness Campaign promotes early detection through mammography where females are offered a mammogram in a supportive environment at Mammo Mixer events. Cancer is the second-highest category of medical claims cost at the City of Austin. This benefit is covered by the City at 100 percent.

Diabetes Awareness Month in November

This campaign, scheduled in November, offers a learning opportunity for employees about diabetes and prediabetes. Diabetes-related claims make up about 22 percent of the City's total medical spend. Prediabetics can delay or prevent the onset of the disease with conscientious attention to lifestyle; those who have been diagnosed can learn to better manage their condition for fewer complications, reduced medical claims, and improved quality of life.

Flu Shots

This benefit is free to employees and is offered in the fall at City worksites. Dependents age 18 and older are also eligible, but must be accompanied by the employee.

UnitedHealthcare Health Coach

HealthyConnections offers an onsite Health Coach, Sarah Nielsen, to support wellness in the workforce. Sarah meets with employees one-on-one to help them set short-term realistic goals and provides motivation for those who are ready to make positive lifestyle changes. Examples of issues she can provide assistance with include weight management, tobacco cessation, and stress relief. Sarah can be reached at 512-974-2860 or by email at sarah_e_nielsen@uhc.com.



Healthy Pregnancy

This program helps women avoid complications and high-risk pregnancies. Enroll by calling UnitedHealthcare at 888-246-7389 (must be in a City medical plan). Participants receive the book *Mayo Clinic Guide to Healthy Pregnancy*, access to prenatal fitness classes, and telephone support from a UHC nurse. In addition, pregnant and breastfeeding women can participate in a breastfeeding support group that meets on the third Thursday of the month from noon to 1 pm in Room 500 at One Texas Center. Breast pumps are covered at 100 percent; contact UnitedHealthcare for details.

Farm to Work

In partnership with the Sustainable Food Center of Austin, this program offers weekly delivery of pre-ordered baskets of fresh locally-grown produce at three City worksites: One Texas Center, Waller Creek, and Rutherford Campus. To order, visit the HealthyConnections website.



New Weight Management Program

The City is launching a new weight management program in 2015. Program participants will meet weekly with a Registered Dietician who specializes in weight management through healthy lifestyle changes. The program includes weekly weigh-ins and ongoing group support. Enrollment will begin in January 2015; it is free to employees.



Softball at the City Olympics.

City Olympics

HealthyConnections partners with the Parks and Recreation Department to host the City Olympics each year for employees and their families. The event includes a sports tournament for employees, plus a mini-health expo, cook-off competition, boot camp, and 5K run/walk. For 2015, the event has been scheduled for May 8 and 9 at the Krieg Sports Complex.

Healthy Cooking Demos

HealthyConnections partners with the Sustainable Food Center to offer cooking demos at City worksites. Facilitators prepare an easy-to-make dish and offer food samples, recipes, and information on good nutrition. The focus is on eating locally-grown produce.

Chair Massage

HealthyConnections works with several registered massage therapists to offer a 15-minute head, neck, and shoulder massage at the workplace for \$15. Check with a HPT member in your department for information about availability in your department.

LIVESTRONG Survivorship Notebook

If you or someone in your family has been diagnosed with cancer, the Livestrong Foundation has provided the City of Austin a valuable resource, the LIVESTRONG Survivorship Notebook. This notebook includes information and tools to help you organize your care, keep all of your medical information in one place, and understand how to deal with the physical, emotional, and practical issues all cancer patients face. To obtain the notebook, contact the Employee Benefits Division at One Texas Center.

Five Wishes Program

This easy-to-complete living will addresses your medical, personal, emotional, and spiritual needs if you become seriously ill. The document is available for free by contacting your department's HPT member or the Employee Benefits Division.



Charlie Sneed, AWU, at the UnitedHealthcare table at a Health Expo.



Additional Benefits

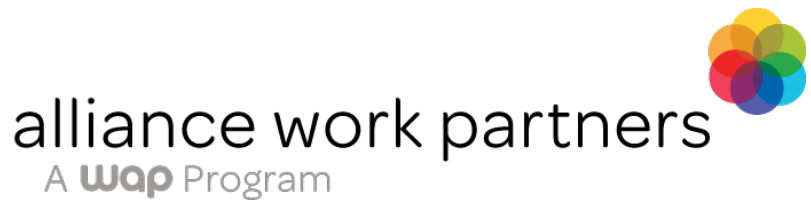
- Employee Assistance Program
- Employee Communications
- Tuition Reimbursement
- Service Incentive Pay
- Childcare Programs
- Commuter Program
- Leave
- Veterans Services Office
- Workers' Compensation
- Direct Deposit
- Velocity Credit Union
- Employee Retirement Systems
- Deferred Compensation
- Social Security



South Austin mural on South First Street near Oltorf Street.

Employee Assistance Program (EAP)

Alliance Work Partners provides short-term confidential counseling to help you and members of your household deal with life's stresses. The EAP provides resources to help you address a wide variety of issues. Services are available 24 hours a day, seven days a week at no cost to you.



The Alliance Work Partners counselors understand the constant interplay between problems on and off-the-job. They understand almost any issue can be dealt with if it is identified and treated early. Typically, employees attend fewer than five counseling and problem resolution sessions. Alliance Work Partners can help you with:

- Marital/family problems
- Domestic violence
- Psychological issues
- Crisis management
- Legal problems
- Anger management
- Work/vocation issues
- Adolescence
- Substance abuse/dependency

Real Lives, Real Help

A 23-year-old mother of two children whose marriage was falling apart because she and her husband felt their problems were just too big to overcome. Like many young couples, they had financial issues and just didn't feel the same about each other after having two children in three years. After several sessions with an EAP counselor they found ways to work through their problems together. They also learned the importance of making time for themselves - such as a date night without the kids.

A 40-year-old utility worker whose 14-year-old daughter began having trouble with grades and started spending her time at home locked in her room. He and his wife were concerned so they scheduled an appointment with a counselor for a family session. They learned their daughter's behavior was not uncommon for a child her age.



Work/Life Services

Alliance Work Partners counselors can also assist with work/life issues such as:

- Financial planning – three sessions
- Adoption education/coordination
- Consumer product information
- Child/elder care referral
- Law Access – three 30-minute sessions
- Academic services
- Travel information/referral

Safe Ride Home

If you find yourself in a situation where you are unable to safely drive your car home, remember Safe Ride. This service is available from the EAP. Calling a cab is often the best thing to do in these situations.

This benefit is free and confidential to you and all members of your household. You can be reimbursed for cab rides up to 50 miles, one way. To receive reimbursement, you just need to submit a receipt from the cab company along with your name, address, phone number, email address, and employer name (City of Austin). Some restrictions may apply.

No one in the City will know you used Safe Ride Home, it is completely confidential.

For more information, call Alliance Work Partners at [800-343-3822](tel:800-343-3822).

If your EAP counselor makes a referral for additional assistance, you are responsible for the cost. However, when making the referral, your counselor will consider your resources, including applicable medical coverage.

Employee Communications

The Human Resources Department publishes newsletters to educate and inform employees about human resources-related issues. It is important for employees to take time to review these publications to avoid missing important information.

- *The HR Update* is published monthly for employees.
- *The HR Advisor* is published periodically for supervisors and managers.
- *CitySource Today* is an online weekly newsletter published by the Communications and Public Information Office. It focuses on the people and projects that define the City of Austin workforce, as well as providing information about the City's benefits programs.

Tuition Reimbursement Program

The City encourages employees to improve their job skills and career potential. To help employees reach their individual goals, the City provides Tuition Reimbursement for employees who meet eligibility requirements. The Tuition Reimbursement Program generally supports technical and academic courses at accredited schools and institutions.

To obtain information about eligibility or to find out how to apply, call the Human Resources Department at [512-974-3400](tel:512-974-3400), or go to <http://cityspace> and click on **HR Forms**.

Service Incentive Pay

Service Incentive Pay is a benefit for non-Civil Service employees who have completed at least five years of continuous service with the City.

The formula for employees with **five** and **up to seven years** is: Completed years of uninterrupted service (up to seven years) x .0025 x hourly rate x scheduled work week x 52 weeks per year or \$500, whichever is less.

The formula for employees with **seven** and **up to 15 years** is: Completed years of uninterrupted service (up to 15 years) x .0025 x hourly rate x scheduled work week x 52 weeks per year or \$1,000, whichever is less.

The formula for employees with **15** or **more years** is: Completed years of uninterrupted service x .0025 x hourly rate x scheduled work week x 52 weeks per year or \$1,500, whichever is less.

When calculating your benefit, use your hourly rate, scheduled work week, and length of service as of the current year.

By law, this benefit is subject to withholding tax. Taxes are withheld according to your W-4 Form. The benefit payment is included in the first paycheck issued in December.

If there is a conflict between the City's Personnel Policies on Service Incentive Pay and the information provided in this section of the Guide, the Personnel Policies govern. For more information about Service Incentive Pay, call the Compensation Division at [512-974-3292](tel:512-974-3292).

Employee Discount Page - Beneplace

The City has teamed up with Beneplace, a local internet service offering discounts on hundreds of products and services. Some of the companies offering discounts through Beneplace are: Dell, Panasonic, Sears, Sony, Apple, AT&T, Costco, Walt Disney World, Travelers Insurance, and DISH Network. There are discounts on cruises, hotels, cell phones, rental cars, life insurance, and travel. Go to beneplace.com/coaustin.



Other Benefits

The City offers other benefits that employees may access, including:

- Bilingual Pay, if eligible. Call the Compensation Division at [512-974-3292](tel:512-974-3292).
- Tax Preparation Assistance, if eligible. Go to foundcom.org.
- Free Entry to City Parks including Deep Eddy and Barton Springs pools. The free entry does not include Zilker Botanical Gardens.

Childcare Program

The programs described below are offered to full-time, regular employees. For more information call the Employee Benefits Division at [512-974-3284](tel:512-974-3284).

Income-Eligible Childcare Assistance

City employees with children under the age of 13 may be eligible for financial assistance of up to \$50 per week, per child for all-day, week-long care. Eligibility is based on family size and income. For example, a family of four with a gross income of less than \$69,570 a year qualifies for assistance. Other requirements: Single parents must have child support orders in place. In a two-parent home, both parents must work at least 30 hours a week. Applications for the program are accepted only during Open Enrollment, within 31 days of being hired, or for an eligible change of childcare status.

Family Size	Family Income
1	\$41,960
2	\$51,992
3	\$60,440
4	\$69,570
5	\$77,670
6	\$85,770

Youth Camp Scholarship

This program is available to **all** employees with children ages 5 through 12, regardless of household size or family income. The program provides scholarships worth up to \$50 a week at participating Parks and Recreation Department (PARD) Recreation Centers. Employees must apply by the first week of May each year in order to be placed on the PARD eligibility list. Applications are available online at CitySpace, at PARD facilities, and from your departmental Human Resources representative.

Childcare Referral

City employees can receive free assistance researching and locating potential childcare providers by contacting the Childcare Coordinator in the Employee Benefits Division at [512-974-3284](tel:512-974-3284).

Commuter Program

As part of the Clean Air Initiative, the City has an agreement with Capital Metro for the following benefits:

Bus and Rail Services

City employees can ride any Capital Metro bus or train for free using a transit pass. These passes are available from your department's HR representative. Employees must commit to riding the bus or train at least one day a week. Visit capmetro.org and use the online Trip Planner to learn the easiest and fastest way to commute.



Local Capital Metro bus equipped with racks for bicycling commuters.

RideShare Van Pools

City employees can also take advantage of Capital Metro's van pool services. Call the Rideshare office at [512-477-RIDE \(7433\)](tel:512-477-RIDE) and get matched to a van pool operating between your home and work location. Employees also have the option of forming their own van pool.

MetroAccess – Paratransit Services

The MetroAccess program serves employees with disabilities by providing shared-ride, door-to-door public transportation service for free. For more information call Capital Metro at [512-474-1200](tel:512-474-1200).

For more information on the Commuter Program, go to: <http://cityspace>. You can also call the Employee Benefits Division at [512-974-3284](tel:512-974-3284).

Leave

The following information summarizes current leave policies. The benefits described do not imply a guarantee of employment or a continuation of the leave program. Leave policies are subject to change.

Refer to the City's Personnel Policies for more information. If there is a conflict between the information provided in this section of the Guide and the Personnel Policies, the Personnel Policies govern.

If you have any questions about leave, call the Human Resources Department at [512-974-3400](tel:512-974-3400).

Paid Leave

Paid leave benefits are available for a number of approved reasons. Examples of paid leave benefits include:

- Personal holidays
- Official holidays
- Sick leave
- Personal (vacation) leave

The paid leave benefits described in this section apply to you if you are a full-time employee in a regular budgeted position. As a part-time employee, you earn leave benefits on a prorated basis.



*Jamil Kelly, AE, working on power lines.
(Photo by Sarah Fusco)*

Personal Holidays

Upon completion of your six-month probationary period, you are eligible to take two personal holidays each year. If you do not use your personal holidays in the year earned, they cannot be carried over into the following year.

Official Holidays

City holidays for 2014 are listed below. You may be required to work on an official holiday. If you are scheduled to work, you will be compensated for the holiday according to Personnel Policies.

Holiday	Date Observed
New Years Day	January 1
Martin Luther King Day	January 19
President's Day	February 16
Memorial Day	May 25
Independence Day	July 4
Labor Day	September 7
Veterans Day	November 11
Thanksgiving Day	November 26
Thanksgiving Friday	November 27
Christmas Eve	December 24
Christmas Day	December 25

Sick Leave

You earn four hours of sick leave per pay period, based on 24 pay periods annually, as a full-time, regular employee working 40 hours per week. If you are scheduled to work other than a 40-hour work week, you accrue sick leave at a different rate. Civil service employees also accrue sick leave at a different rate.

Sick leave must be earned before it can be used. If you do not use your sick leave, you may carry unused hours forward into the next year. Sick leave may be accrued on an unlimited basis. If you are on sick leave for five work days or more due to your own health condition, a return to work release form must be completed by your health care provider and given to your supervisor before you will be allowed to return to work.

Personal (Vacation) Leave

You may use personal leave for any reason. The amount that you earn depends on how long you have worked continuously for the City and the number of hours you work each week, based on 24 pay periods annually.

The number of hours you earn per pay period as a full-time regular employee working 40 hours per week is listed in the chart to the right. If you are scheduled to work other than a 40-hour work week, you accrue personal leave at a different rate. Civil service employees also accrue personal leave at a different rate.

Years Worked	Hours You Earn
Less than 5	4.34
5 but less than 10	5.34
10 but less than 15	6.00
15 but less than 20	6.67
20 or more	7.67

You should keep in mind a few other things about personal leave:

- You may request personal leave at any time once you have completed your probationary period.
- If you become ill while you are on personal leave, you may request that your personal leave be temporarily stopped and your absence be charged to sick leave.
- The maximum amount of personal leave you may accrue is 400 hours.
- Payment of unused personal leave upon resignation or retirement is limited to 240 hours.
- You may use personal leave while on family or medical leave.

Family and Medical Leave (FMLA)

The Family Medical Leave Act (FMLA) entitles eligible employees to take job-protected, unpaid leave for specific qualifying family, medical and/or military support needs with continuation of group health insurance coverage under the same terms and conditions as if the Employee had not taken leave. When requested and approved, appropriate paid and unpaid leave can be used and will count toward the family and medical leave entitlement.

You are eligible to job-protect unpaid leave under the FMLA if you have been employed with the City for at least 12 months and worked 1,250 hours during the 12 months prior to the commencement of the leave. The 12 months of employment need not be consecutive. For employees who experience a break in service in fulfillment of the Uniformed Services Employment and Reemployment Rights Act (USERRA), the months employed and the hours that were actually worked for the City should be combined with the months and hours that would have been worked during the 12 months prior to the start of the leave requested, had it not been for the military leave.

Eligible employees are entitled to job-protected, unpaid leave in a calendar year, based on the Employee's normal workweek, for one or more of the following reasons:

- The birth of a Son or Daughter and to care for the newborn child;
- The placement with the Employee of a Son or Daughter for adoption or foster care;
- To care for the Employee's husband, wife, Domestic Partner, Son, Daughter or Parent with a serious health condition;
- A serious health condition that makes the Employee unable to perform one or more of the functions of the Employee's job.

FMLA (Continued)

Family leave must be taken within 12 months after the birth of a child or the placement of a child for adoption or foster care. FMLA leave may be used before the actual placement or adoption if the absence is required for the placement or foster. Intermittent use of family leave requires approval from the Department Director.

An employee should notify the City at least 30 days prior to a planned medical treatment that requires FMLA leave. If advanced notification is not practical or the reason is unplanned, you must give notice within two business days. Your Department Director may require you to provide satisfactory proof of the proper use of medical leave. If satisfactory proof is not provided, your request for FMLA may be denied.

If you do not wish to continue any or all of your benefits while on family or medical leave, you must contact the Employee Benefits Division to complete a Benefits Enrollment Form to drop coverage. If you choose to continue benefits and fail to return from FMLA leave, you may be required to reimburse the City for the City's portion of the benefits premiums paid on your or your dependent's behalf during the unpaid leave.

Parental Leave

Employees in a regularly budgeted position who qualify for FMLA may receive up to 240 hours of paid leave (prorated based on budgeted workweek) for the birth and care of a child, or placement of a child for adoption or foster care during the FMLA period. Documentation for birth, adoption or foster care must be provided to the FMLA Coordinator before an employee can code the time on the timesheet. Temporary employees and employees who are subject to collective bargaining or meet and confer agreements are not eligible.

Hours Awarded for Parental Leave or Leave Bank	
Budgeted Work Week	Paid Leave Hours
40	240
30 - 39	180
20 - 29	120
Less than 20	60

Leave Bank

The Leave Bank is available for employees who qualify for FMLA and who do not have enough accrued leave to get them through an illness, accident or unexpected FMLA event. Through a donation of accrued sick and/or vacation, you can become a member of the Leave Bank and can apply for hours based on your budgeted workweek. Membership in the Leave Bank is annual and must be renewed each year during the Benefits Open Enrollment period. A non-member who seeks leave from the Leave Bank, due to an unforeseen FMLA qualifying event, may enroll to become a member at any time. There is no limit to the number of hours you can donate to become a member during the enrollment period. Temporary employees and employees who are subject to collective bargaining or meet and confer agreements are not eligible.

Employees on Leave of Absence

As a City employee, you may be granted a leave of absence under certain circumstances. All requests for leave of absence must be approved by your Department Director, and requests for leave of more than 30 days must be approved by the City Manager. The maximum total time for which a leave of absence may be granted is one year.

If you are on leave for five or more consecutive work days due to your own health condition, a return to work release form must be completed by your health care provider and given to your supervisor before you will be allowed to return to work. If you are participating in the Deferred Compensation loan program and you are on an unpaid leave of absence, automatic deductions are not possible. You must contact the Deferred Compensation office to prevent default on your loan.

While you are on a leave of absence, if you do not wish to continue any or all of your benefits for yourself and/or your dependents, you must contact the Employee Benefits Division and schedule an appointment to complete a Benefits Enrollment Form to drop coverage. Once you return from leave you must make an appointment to reinstate benefits dropped during a leave of absence. If you choose to continue benefits and fail to return from family or medical leave, you may be required to reimburse the City for the City's portion of the benefits premiums paid on your or your dependent's behalf during the unpaid leave.

If you choose to continue your benefits, you will be responsible for the full cost of premiums, including the City's contribution. If you are on an unpaid leave of absence, automatic deductions are not possible. To make arrangements to pay your benefits premiums, contact the Employee Benefits Division at [512-974-3284](tel:512-974-3284).

Military Family Leave

Military Caregiver Leave (also known as Covered Service Member Leave)

Eligible employees who are family members of covered service members can take up to 26 work weeks of leave in a “single 12-month period” to care for a covered service member with a serious illness or injury incurred in the line of duty while on active duty. This 26-work-week entitlement is a special provision that extends FMLA job-protected leave beyond the normal 12 weeks of FMLA leave.

Qualifying Exigency Leave

This leave helps families of members of the National Guard, Reserve, and active duty manage their affairs while the member is on active duty in support of a contingency operation.

Veterans Services Office – Five Star Employer

The City of Austin is a Five Star Employer, with a Veterans Services Office. This office supports veterans as well as National Guard and Reservists who work for the City. This office also provides assistance to families of military service members, especially during deployments.

The City’s program has three key areas:

- **Veterans Consultant** – The City provides training to departments about their responsibilities under USERRA, the Uniformed Services Employment and Reemployment Rights Act. This Federal legislation addresses a wide range of issues such as hiring, leave, and benefits.
- **Ombudsman Services** – The program offers mediation services as a link between the employee, the employee’s family, and the department. The confidential services include listening to concerns and complaints, evaluating options, and offering solutions. The program strives to help all service members receive fair and equitable treatment from City, State, and Federal entities.
- **Partnerships with Other Groups** – The City’s Veterans Services Office partners with a variety of organizations in the community.

City benefits also include the following:

- 15 days of paid military leave per fiscal year
- Military Pay Supplement Program
- Veteran’s preference in the City hiring process
- Service credit toward City retirement for military service
- Continuation of benefits through Family and Medical Leave (FMLA)

For more information, contact the Veterans Consultant and Military Ombudsman at [512-974-3459](tel:512-974-3459).



Chanda Axton, APD, on the deck of the USS Nimitz, CVN 68, in the Pacific Ocean off of the west coast of the United States.

Workers' Compensation

Workers' Compensation is a program for managing medical treatment and loss of wages if you are injured on-the-job. The City provides this coverage for compensable injuries and illnesses according to State law. Workers' Compensation benefits are provided to you at no cost.

If you are injured on-the-job, you may be eligible for payment of:

- All reasonable and necessary medical treatment
- 70% or 75% of your average weekly wage (depending on your hourly rate)

If you are injured on-the-job, the Departmental Workers' Compensation Representative (DWCR) in your department who is assigned to your case can answer questions about your Workers' Compensation benefits. If you are injured on-the-job, report your claim immediately to your supervisor. Ask your doctor to complete and sign the proper work status form and return it to your DWCR.

For more information, call your DWCR or Risk Management of the Human Resources Department at [512-974-3400](tel:512-974-3400).

Direct Deposit

If you are currently receiving a printed paycheck, you should consider switching to direct deposit. The City of Austin wires the money to your account, usually a day before you would be able to pick up and cash your check.

It's safe, quick, and easy. All you have to do is complete a City of Austin Direct Deposit Authorization Agreement on the Financial Services Department webpage. Go to: <http://payroll.ci.austin.tx.us>.

Velocity Credit Union

As an employee of the City, you are eligible for membership with Velocity Credit Union. Once you join Velocity, anyone in your family is eligible to join. Some of the services available to credit union members include:

- Totally Free Checking.
- Free App with mobile deposit.
- Debit and ATM cards.
- Credit cards (low, fixed rates, rewards option, no annual fee).
- Velocity Loans for just about anything.
- More than 300 free ATMs in Austin and the surrounding area.
- Youth Club accounts.
- Safe deposit boxes.
- Investment options (certificates, IRAs, money market, etc.).
- Free online banking, bill pay and eStatements.
- Payroll deductions for savings and loan payments.
- Financial planning.

For more information, go to velocitycu.com.



James Zapien, APD, and Lauren Guzman at the Take Your Sons and Daughters to work day event at Krieg Field.

Employee Retirement Systems

The City values you as an employee. As part of your compensation, the City provides retirement benefits. Over the years, the City has made a significant investment in providing retirement benefits to employees, so it is important that you understand how your retirement benefits work.

Several programs are available to help you prepare for your retirement. These programs include mandatory participation in one of three separate retirement systems, an optional Deferred Compensation Program, and City contributions to Social Security on your behalf.

Employees are eligible for retirement when they meet one of the following age and service requirements. For more information about your defined benefit retirement plan, contact your retirement system.

City of Austin

Employees' Retirement System (COAERS)

Call [512-458-2551](tel:512-458-2551), or go to coaers.org.

Tier 1

- 23 years of creditable service at any age
- 20 years of creditable service at age 55
- Any number of years creditable service at age 62

Tier 2 – *Employees hired on or after January 1, 2012*

Normal Retirement

- 30 years creditable service at age 62
- 5 years of creditable service at age 65

Early Retirement

- 10 years of creditable service at age 55
- Reduced annuity

Austin Fire Fighters Relief and Retirement Fund

Call [512-454-9567](tel:512-454-9567), or go to afrs.org.

Normal Retirement

- Age 50 or 25 years of service

Early Retirement

- 10 years of service at age 45
- 20 years of service at any age

City of Austin Police Retirement System

Call [512-416-7672](tel:512-416-7672), or go to ausprs.org.

Normal Retirement

- 23 years creditable service at any age (excluding prior Military Service)
- 20 years creditable service at age 55 (excluding prior Military Service)
- Any number of years creditable service at age 62

Early Retirement

- None

Deferred Compensation Plan (457 Plan)

The Deferred Compensation Plan is a retirement savings plan that allows eligible employees to supplement retirement/pension benefits by saving and investing before- or after-tax dollars through voluntary salary deferral. Voya Institutional Plan Services, LLC is the plan administrator.

You may enroll in the Deferred Compensation Plan or make changes in your deferrals any time during the year. You may also choose from a diverse array of investment options. If you contribute pre-tax dollars, your account is tax deferred until you withdraw money, usually at retirement. However, you may also contribute post-tax dollars (pay income tax at the time your contributions are made) and your account is tax-free (subject to qualifying conditions) when you withdraw your money. To review and manage your account, call [877-66-AUSTIN \(877-662-8784\)](tel:877-66-AUSTIN) or go to dcaustin.com.

Social Security

Social Security pays benefits once you meet certain eligibility requirements when you retire, become disabled, or die. Social Security taxes are paid by you and the City. At the current time this amount is 6.2% for Old Age, Survivors and Disability Insurance (OASDI), and 1.45% for Medicare Tax, however these amounts are subject to any changes made by the United States Congress.

Contributions by firefighters to Social Security may vary, and in some cases may not be made at all. If you are a firefighter, contact the Austin Fire Fighters Relief and Retirement Fund for more information about your Social Security benefits.

Questions about Social Security benefits may be directed to the Social Security Administration at [800-772-1213](tel:800-772-1213), or go to socialsecurity.gov.

Important Benefits Information

- Summary of Benefits and Coverage and Uniform Glossary of Terms
- ADA Compliance
- Governing Plan
- HIPAA
- Women's Health and Cancer Rights Act
- Patient Protection and Affordable Care Act
- COBRA
- Continuation of Coverage for Domestic Partners
- USERRA Continuation of Coverage
- Surviving Spouse Coverage
- Surviving Family/Peace Officer Benefit
- Surviving Family/Work-Related Coverage
- Your Prescription Drug Coverage and Medicare
- Health Insurance Marketplace

Summary of Benefits and Coverage (SBC) and Uniform Glossary of Terms

Under the law, insurance companies and group health plans must provide consumers with a concise document detailing, in plain language, simple and consistent information about health plan benefits and coverage. This summary will help consumers better understand the coverage they have and allow them to easily compare different coverage options. It summarizes the key features of the plan and coverage limitations and exceptions. For a copy of the SBC of the City's medical plans go to austintexas.gov/department/employee-benefits or call 512-974-3284.

Under the Patient Protection and Affordable Care Act (Health Reform), consumers will also have a resource to help them understand some of the most common but confusing jargon used in health insurance. Employees can access the Uniform Glossary of Terms online at austintexas.gov/department/employee-benefits or call 512-974-3284 for a copy.

ADA Compliance

The City is committed to complying with the Americans with Disabilities Act (ADA). Reasonable accommodation, including equal access to communications, will be provided upon request. For more information, call the Human Resources Department at 512-974-3284, use the Relay Texas TTY number 800-735-2989 for assistance, or visit the website at austintexas.gov/ada.

Governing Plan

Your rights are governed by each plan instrument (which may be a plan document, evidence of coverage, certificate of coverage, or contract), and not by the information in this Guide. If there is a conflict between the provisions of the plan you selected and this Guide, the terms of the plan govern. City of Austin employees have access to benefits approved by the City Council each year as part of the budget process. The benefits and services offered by the City may be changed or terminated at any time. These benefits are not a guarantee of your employment with the City.

The Health Insurance Portability & Accountability Act of 1996 (HIPAA)

This act imposes the following restrictions on group health plans:

Limitations on pre-existing exclusion periods. Pre-existing conditions can only apply to conditions for which medical advice, diagnosis, care, or treatment was recommended or received during a period beginning six months prior to an individual's enrollment date, and any pre-existing condition exclusion is not permitted to extend for more than 12 months after the enrollment date. Further, a pre-existing condition exclusion period may be reduced by any creditable previous coverage the individual may have had.

Special enrollment. Group health plans must allow certain individuals to enroll upon the occurrence of certain events, including new dependents and loss of other coverage. Loss of coverage includes:

- Termination of employer contributions toward other coverage.
- Moving out of an HMO service area.
- Ceasing to be a "dependent," as defined by the other plan.
- Loss of coverage to a class of similarly situated individuals under the other plan (i.e., part-time employees).

Additionally, individuals entitled to special enrollment must be allowed to enroll in all available benefit package options and to switch to another option if he or she has a spouse or dependent with special enrollment rights.

Prohibitions against discriminating against individual participants and beneficiaries based on health status: Plans may not establish rules for eligibility of any individual to enroll under the terms of the plan based on certain health status-related factors, including health status, medical condition, claims experience, receipt of health care, medical history, genetic information, evidence of insurability, or disability.

Standards relating to benefits for mothers and newborns: Plans must provide for a 48-hour minimum stay for vaginal childbirth, and a 96-hour minimum stay for cesarean childbirth, unless the mother or medical provider shortens this period. No inducements or penalties can be used with the mother or medical provider to circumvent these rules.

Parity in the application of certain limits to mental health benefits: Plans must apply the same annual and lifetime limits (i.e., dollar amounts) that apply to other medical benefits to benefits for mental health. If this requirement results in a one percent or more increase in plan costs or premiums, this rule does not apply.

City of Austin Policy on HIPAA

HIPAA gives the City, as the plan sponsor of a non-federal governmental plan, the right to exempt the plan in whole or in part from the requirements described above. The City has decided to formally implement all of these requirements. The effect of this decision as it applies to each of the above requirements is as follows:

- The Plan does not currently have a pre-existing condition limitation and is in compliance.
- The Plan will provide special enrollment periods.
- The Plan will comply with the non-discrimination rules.
- The Plan will comply with the standards for benefits for mothers and newborn children.
- The Plan will comply with the rules on mental health benefits.

The HIPAA Privacy Rules for Health Information were established to provide comprehensive federal protection concerning the privacy of health information. The Privacy Rules generally require the City to take reasonable steps to limit the use, disclosure, and requests for Protected Health Information to the minimum necessary to accomplish the intended purpose. The City is committed to implementing the Privacy Rules.

The Women's Health and Cancer Rights Act of 1998 was enacted on October 21, 1998. It provides certain protections for breast cancer patients who elect breast reconstruction in connection with a mastectomy. Specifically, the act requires that health plans cover post-mastectomy reconstructive breast surgery if they provide medical and surgical coverage for mastectomies. Coverage must be provided for:

- Reconstruction of the breast on which the mastectomy has been performed.
- Surgery and reconstruction of the other breast to produce a symmetrical appearance.
- Prostheses and physical complications of all stages of mastectomy, including lymph edemas.
- Secondary consultation whether such consultation is based on a positive or negative initial diagnosis.

The benefits required under the **Women's Health and Cancer Rights Act of 1998** must be provided in a manner determined in consultation with the attending physician and the patient. These benefits are subject to the health plan's regular copays and deductibles.

Patient Protection and Affordable Care Act

As part of the Patient Protection and Affordable Care Act (Health Reform) effective January 2018, medical plans which exceed a threshold level established by the federal government will have to pay a 40% excise tax. The City of Austin is committed to designing a medical plan that is below the threshold level; however, if the threshold is reached the cost of the excise tax will be passed on to employees and retirees.

COBRA

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, is a federal law that requires employers to offer qualified beneficiaries the opportunity to continue medical coverage, vision coverage, dental coverage, and/or participation in the FLEXTRA Health Care Account at their own cost in the case of certain qualifying events. Continuation of your life insurance, short term disability, long term disability, FLEXTRA Dependent Care Account, and group legal plan is not available under COBRA.

COBRA Notice Requirements. Each employee or qualified beneficiary is required to notify the Employee Benefits Division of the Human Resources Department within 60 days of a divorce, legal separation, a child no longer meeting the definition of dependent, or entitlement to Medicare benefits. Erisa, the City's COBRA administrator, will then notify all qualified beneficiaries of their rights to enroll in COBRA coverage. Notice to a qualified beneficiary who is the spouse or former spouse of the covered employee is considered proper notification to all other qualified beneficiaries residing with the spouse or former spouse at the time the notification is made.

Continuation of Coverage for Domestic Partners

The City offers covered individuals the opportunity to continue medical coverage, vision coverage, and/or dental coverage at their own cost in the case of certain qualifying events. Continuation of your life insurance, is not available under Continuation of Coverage for Domestic Partners.

Each employee or covered individual is required to notify the Employee Benefits Division of the Human Resources Department within 31 days of dissolution of the Domestic Partnership, a child no longer meeting the definition of dependent, or entitlement to Medicare benefits. Erisa, the City's administrator, will then notify all covered individuals of their rights to enroll in Continuation of Coverage for Domestic Partners coverage. Notice to a covered individual who is the Domestic Partner or former Domestic Partner of the covered employee is considered proper notification to all other covered individuals residing with the Domestic Partner or former Domestic Partner at the time the notification is made.

USERRA Continuation of Coverage

The Uniformed Services Employment and Reemployment Rights Act (USERRA) provides that if you are required to be absent from work for a period of time due to voluntary or involuntary military service or training, you have certain reemployment and medical benefits continuation rights during your absence. You and your family members have the opportunity to continue your benefits from the date coverage otherwise would end, provided you pay the premium. However, for absences of less than 31 days, you may continue benefits while paying only your usual share of the cost. When you return to work, no exclusions or waiting periods will apply.

Surviving Dependent Coverage

Your dependent may be eligible for Surviving Dependent medical, dental, and vision coverage only if you meet one of the following requirements and your dependent completes a Surviving Dependent Benefits Enrollment Form within 31 days from the date of your death:

- You are a City retiree who retired under the City of Austin Employees' Retirement System, Austin Fire Fighters Relief and Retirement Fund, or City of Austin Police Retirement System.
- You are an active City employee who is eligible to retire with the City but choose to continue to work for the City.
- You are a City retiree who has returned to active employment with the City.

If eligible, your dependent will be able to continue his or her coverage through the City after your death, provided your dependent was enrolled in a City-sponsored plan at the time of your death. The coverage offered is the same coverage offered to City retirees.

Surviving Family/Work-Related Coverage

If you are killed in the line of duty (your accident must be considered compensable under the City's Workers' Compensation program) while working for the City, your dependents who are enrolled in a City-sponsored medical, dental, and/or vision plan at the time of your death are allowed to continue their coverage, if they complete a Surviving Family Benefits Enrollment Form and pay the premium within 90 days from the date of your death. The City will continue to subsidize the premium.

Surviving Family/Work-Related Coverage is not available to active employees who are also City retirees who have returned to work for the City and have declined active employee benefits. The City will notify your surviving dependents of their eligibility for Surviving Family/Work-Related Coverage.

For more information or to receive a Surviving Family/Work-Related Benefits Guide, contact the Employee Benefits Division at [512-974-3284](tel:512-974-3284).

Your Prescription Drug Coverage and Medicare

Beneficiary Creditable Coverage Disclosure Notice

This notice has information about your current prescription drug coverage with the City of Austin and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining a Medicare drug plan, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in this area. There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. On January 1, 2006, new prescription drug coverage became available to individuals with Medicare Part A. This coverage is available through Medicare prescription drug plans, also referred to as Medicare Part D. All such plans provide a standard, minimum level of coverage established by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. The City of Austin has determined that prescription drug coverage offered through City health plans is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

Other Important Considerations

- If you currently have prescription drug coverage through a City health plan, you may choose to enroll in Medicare Part D annually between October 15 and December 7, or when you first become eligible for Medicare Part D.
- If you decide to join a Medicare drug plan, your current City of Austin medical coverage will not be affected.
- If you do decide to join a Medicare drug plan and drop your current City of Austin coverage for your dependents, you may be able to get this coverage back during an Open Enrollment period.
- You should also know that if you drop or lose your current coverage with the City of Austin and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later. If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least 1% of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go 19 months without Creditable Coverage, your premium may consistently be at least 19% higher than the Medicare base beneficiary premium.
- You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.
- If you are enrolled in Medicare Part D or a Medicare Advantage Plan and are also enrolled in the City health plan, you may have duplicate prescription coverage. If you would like to review your coverage or for more information, contact the Employee Benefits Division of the Human Resources Department at [512-974-3284](tel:512-974-3284).

More information about Medicare Part D prescription drug coverage

More detailed information about Medicare plans that offer prescription drug coverage is in the *Medicare & You* handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans. You can also:

- Visit [medicare.gov](https://www.medicare.gov) for personalized help.
- Call the **Health and Human Services Commission of Texas** toll free at [888-834-7406](tel:888-834-7406), local number [800-252-9330](tel:800-252-9330).
- Call [800-MEDICARE \(800-633-4227\)](tel:800-MEDICARE).
- TTY users should call [877-486-2048](tel:877-486-2048).

Financial assistance may be available for individuals with limited income and resources through the **Social Security Administration (SSA)**. For more information, visit the SSA website at [socialsecurity.gov](https://www.socialsecurity.gov). Or call [800-772-1213](tel:800-772-1213). TTY users should call [800-325-0778](tel:800-325-0778).

The New Health Insurance Marketplace, Coverage Options, and your City Health Coverage

PART A: General Information

The Health Insurance Marketplace is a new way to purchase health insurance in the United States. To assist you as you evaluate options for you and your family, this notice provides some basic information about the new Marketplace and employment based health coverage offered by your employer, the City of Austin.

What is the Health Insurance Marketplace?

The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers “one-stop shopping” to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. Open enrollment for health insurance coverage through the Marketplace begins in October 2013 for coverage starting as early as January 1, 2014.

Can I Save Money on my Health Insurance Premiums in the Marketplace?

No. Regular full-time employees will not experience savings because the City pays the entire premium for the PPO and the majority of the HMO premium. Part-time employees may realize savings by going to the Marketplace.

Temporary employees hired by the City of Austin are not eligible for City-provided medical coverage. Temporary employees and their dependents can purchase health insurance through the Health Insurance Marketplace, designed to provide affordable health insurance.

Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. The City of Austin offers coverage that meets government standards. If you are in a regular budgeted position and work full-time you will not be eligible for a tax credit at the Marketplace.

If you are in a regular budgeted position working part-time, and the premium you would pay for the City’s lowest cost medical plan (Employee Only) is more than 9.5 percent of your household income for the year, you may be eligible for a tax credit at the Marketplace. If you are a temporary employee, and therefore not eligible for medical coverage under a City medical plan, you are eligible for medical coverage through the Marketplace and may also qualify for a tax credit.

Note: If you purchase a health plan through the Marketplace instead of accepting health coverage offered by the City of Austin, then you may lose the City’s contribution (if any) to the employer-offered coverage. Also, the City’s contribution as well as your employee contribution to City offered coverage is usually excluded from income for federal and state income tax purposes. Your payments for coverage through the Marketplace are made on an after-tax basis.

How Can I Get More Information?

For more information about your coverage offered by the City of Austin, review this guide, go to austintexas.gov/benefits for your summary plan description, or contact City of Austin at 512-974-3284.

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit healthcare.gov for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

PART B: Information About Health Coverage Offered by the City

This section contains information about health coverage offered by the City of Austin. If you decide to complete an application for coverage in the Marketplace, you will be asked to provide this information. This information is numbered to correspond to the Marketplace application.

3. Employer name: City of Austin		4. Employer Identification Number: 74-6000085
5. Employer address: P.O. Box 1088		6. Employer phone number: 512-974-3284
7. City: Austin	8. State: Texas	9. ZIP code: 78767
10. Who can we contact about employee health coverage at this job? Human Resources Department, Employee Benefits Division		
11. Phone number: 512-974-3284		12. Email address: HRD.Benefits@austintexas.gov

Basic Health Care Coverage Information

As your employer, the City of Austin offers a health plan to all employees in regular budgeted positions. Temporary employees are not eligible for coverage under a City medical plan.

The City of Austin offers dependent coverage to eligible dependents. Eligible dependents (spouse, domestic partner, children, dependent grandchildren) are detailed in this guide.

The City's coverage meets the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on employee wages.

Note: Even though the City of Austin offers affordable coverage, you may still be eligible for a premium discount through the Marketplace. The Marketplace will use your household income, along with other factors, to determine whether you may be eligible for a premium discount. If you are an hourly employee, or have previously been unemployed, you may still qualify for a premium discount.

If you decide to shop for coverage in the Marketplace, healthcare.gov will guide you through the process.

YOUR BENEFIT PLAN

THE CITY OF AUSTIN

Questions about Your Coverage

In the event You have questions regarding any aspect of Your coverage, You should contact Your Employee Benefits Manager or You may write to us at:

The Hartford
Group Benefits Division, Customer Service
P.O. Box 2999
Hartford, CT 06104-2999

Or call Us at: 1-800-523-2233

When calling, please give Us the following information:

- 1) the policy number; and
- 2) the name of the policyholder (employer or organization), as shown in Your Certificate of Insurance.

Or You may contact Our Sales Office:

Hartford Life and Accident Insurance Company
Group Sales Department
785 Greens Parkway
Suite 220
Houston, TX 77067
TOLL FREE: 800-392-7805
FAX: 281-877-3910

If you have a complaint, and contacts between you and the insurer or an agent or other representative of the insurer have failed to produce a satisfactory solution to the problem, the following states require we provide you with additional contact information:

For Residents of:	Write	Telephone
Arkansas	Arkansas Insurance Department Consumer Services Division 1200 West Third Street Little Rock, AR 72201-1904	1(800) 852-5494
California	State of California Insurance Department Consumer Communications Bureau 300 South Spring Street, South Tower Los Angeles, CA 90013	1(800) 927-HELP
Illinois	Illinois Department of Insurance Consumer Services Station Springfield, Illinois 62767	Consumer Assistance: 1(866) 445-5364 Officer of Consumer Health Insurance: 1(877) 527-9431
Indiana	Public Information/Market Conduct Indiana Department of Insurance 311 W. Washington St. Suite 300 Indianapolis, IN 46204-2787	Consumer Hotline: 1(800) 622-4461 1(317) 232-2395 (in the Indianapolis Area)
Virginia	Life and Health Division Bureau of Insurance P.O. Box 1157 Richmond, VA 23209	1(804) 371-9741 (inside Virginia) 1(800) 552-7945 (outside Virginia)
Wisconsin	Office of the Commissioner of Insurance Complaints Department P.O. Box 7873 Madison, WI 53707-7873	1(800) 236-8517 (outside of Madison) 1(608) 266-0103 (in Madison) to request a complaint form.

The following states require that We provide these notices to You about Your coverage:

For residents of:

Arizona	This certificate of insurance may not provide all benefits and protections provided by law in Arizona. Please read This certificate carefully.
Florida	The benefits of the policy providing you coverage are governed primarily by the law of a state other than Florida.
Maryland	The group insurance policy providing coverage under this certificate was issued in a jurisdiction other than Maryland and may not provide all the benefits required by Maryland law.
Montana	The benefits of the policy providing your coverage are governed primarily by the law of a state other than Montana.

Georgia

The laws of the state of Georgia prohibit insurers from unfairly discriminating against any person based upon his or her status as a victim of family abuse.

Maine

The benefits under this policy are subject to reduction due to other sources of income.

This means that your benefits will be reduced by the amount of any other benefits for loss of time provided to you or for which you are eligible as a result of the same period of disability for which you claim benefits under this policy.

Other sources of income are plans or arrangements of coverage that provide disability-related benefits such as Worker's Compensation or other similar governmental programs or laws, or disability-related benefits received from your employer or as the result of your employment, membership or association with any group, union, association or other organization. Other sources of income include disability-related benefits under the United States Social Security Act or an alternate governmental plan, the Railroad Retirement Act, and other similar plans or acts. Other sources of income may also include certain disability-related or retirement benefits that you receive because of your retirement unless you were receiving them prior to becoming disabled.

What comprises other sources of income under this policy is determined by the nature of the policyholder. Therefore, we strongly urge you to **Read Your Certificate Carefully**. A full description of the plans and types of plans considered to be other sources of income under this policy will be found in the definition of "Other Income Benefits" located in the Definitions section of your certificate.

North Carolina

UNDER NORTH CAROLINA GENERAL STATUTE SECTION 58-50-40, NO PERSON, EMPLOYER, FINANCIAL AGENT, TRUSTEE, OR THIRD PARTY ADMINISTRATOR, WHO IS RESPONSIBLE FOR THE PAYMENT OF GROUP LIFE INSURANCE, GROUP HEALTH OR GROUP HEALTH PLAN PREMIUMS, SHALL:

- 1) CAUSE THE CANCELLATION OR NONRENEWAL OF GROUP LIFE INSURANCE, GROUP HEALTH INSURANCE, HOSPITAL, MEDICAL, OR DENTAL SERVICE CORPORATION PLAN, MULTIPLE EMPLOYER WELFARE ARRANGEMENT, OR GROUP HEALTH PLAN COVERAGES AND THE CONSEQUENTIAL LOSS OF THE COVERAGES OF THE PERSON INSURED, BY WILLFULLY FAILING TO PAY THOSE PREMIUMS IN ACCORDANCE WITH THE TERMS OF THE INSURANCE OR PLAN CONTRACT; AND
- 2) WILLFULLY FAIL TO DELIVER, AT LEAST 45 DAYS BEFORE THE TERMINATION OF THOSE COVERAGES, TO ALL PERSONS COVERED BY THE GROUP POLICY WRITTEN NOTICE OF THE PERSON'S INTENTION TO STOP PAYMENT OF PREMIUMS. VIOLATION OF THIS LAW IS A FELONY. ANY PERSON VIOLATING THIS LAW IS ALSO SUBJECT TO A COURT ORDER REQUIRING THE PERSON TO COMPENSATE PERSONS INSURED FOR EXPENSES OR LOSSES INCURRED AS A RESULT OF THE TERMINATION OF THE INSURANCE.

IMPORTANT TERMINATION INFORMATION

YOUR INSURANCE MAY BE CANCELLED BY THE COMPANY. PLEASE READ THE TERMINATION PROVISION IN THIS CERTIFICATE.

THIS CERTIFICATE OF INSURANCE PROVIDES COVERAGE UNDER A GROUP MASTER POLICY. THIS CERTIFICATE PROVIDES ALL OF THE BENEFITS MANDATED BY THE NORTH CAROLINA INSURANCE CODE, BUT YOU MAY NOT RECEIVE ALL OF THE PROTECTIONS PROVIDED BY A POLICY ISSUED IN NORTH CAROLINA AND GOVERNED BY ALL OF THE LAWS OF NORTH CAROLINA.

PRE-EXISTING LIMITATION

READ CAREFULLY

NO BENEFITS WILL BE PAYABLE UNDER THIS PLAN FOR PRE-EXISTING CONDITIONS WHICH ARE NOT COVERED UNDER THE PRIOR PLAN. PLEASE READ THE LIMITATIONS IN THIS CERTIFICATE.

READ YOUR CERTIFICATE CAREFULLY.

IMPORTANT NOTICE

Texas

AVISO IMPORTANTE

To obtain information or make a complaint:

Para obtener informacion o para someter una queja:

You may call The Hartford's toll-free telephone number for information or to make a complaint at:

Usted puede llamar al numero de telefono gratis de The Hartford para informacion o para someter una queja al:

1-800-523-2233

1-800-523-2233

You may also write to The Hartford at:

Usted tambien puede escribir a The Hartford:

P.O. Box 2999
Hartford, CT 06104-2999

P.O. Box 2999
Hartford, CT 06104-2999

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:

1-800-252-3439

1-800-252-3439

You may write the Texas Department of Insurance at:

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9410
Fax # (512) 475-1771

P.O. Box 149104
Austin, TX 78714-9410
Fax # (512) 475-1771

Web: <http://www.tdi.state.tx.us>

Web: <http://www.tdi.state.tx.us>

E-mail: ConsumerProtection@tdi.state.tx.us

E-mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact the agent or The Hartford first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente o The Hartford primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

THIS IS NOT A POLICY OF WORKERS' COMPENSATION INSURANCE. THE EMPLOYER DOES NOT BECOME A SUBSCRIBER TO THE WORKERS' COMPENSATION SYSTEM BY PURCHASING THIS POLICY, AND IF THE EMPLOYER IS A NON-SUBSCRIBER, THE EMPLOYER LOSES THOSE BENEFITS WHICH WOULD OTHERWISE ACCRUE UNDER THE WORKERS' COMPENSATION LAWS. THE EMPLOYER MUST COMPLY WITH THE WORKERS' COMPENSATION LAW AS IT PERTAINS TO NON-SUBSCRIBERS AND THE REQUIRED NOTIFICATIONS THAT MUST BE FILED AND POSTED.



CERTIFICATE OF INSURANCE

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY
Simsbury, Connecticut
(A stock insurance company)

Policyholder: THE CITY OF AUSTIN
Policy Number: GLT-696962
Policy Effective Date: January 1, 2011
Policy Anniversary Date: January 1, 2012

We have issued The Policy to the Policyholder. Our name, the Policyholder's name and The Policy Number are shown above. The provisions of The Policy, which are important to You, are summarized in this certificate consisting of this form and any additional forms which have been made a part of this certificate. This certificate replaces any other certificate We may have given to You earlier under The Policy. The Policy alone is the only contract under which payment will be made. Any difference between The Policy and this certificate will be settled according to the provisions of The Policy on file with Us at Our home office. The Policy may be inspected at the office of the Policyholder.

Signed for the Company

Richard G. Costello, Secretary

John C. Walters, President

A note on capitalization in this certificate:

Capitalization of a term, not normally capitalized according to the rules of standard punctuation, indicates a word or phrase that is a defined term in The Policy or refers to a specific provision contained herein.

**FOR INFORMATION, QUESTIONS OR COMPLAINTS, CALL THE HARTFORD'S TOLL-FREE CONSUMER NUMBER,
1-800-368-3653. TEXAS DEPARTMENT OF INSURANCE: 1-800-252-3439**

TABLE OF CONTENTS

SCHEDULE OF INSURANCE.....	8
Cost of Coverage	8
Eligible Class(es) for Coverage.....	8
Eligibility Waiting Period for Coverage	8
Benefit Amounts.....	8
ELIGIBILITY AND ENROLLMENT	9
Eligible Persons	9
Eligibility for Coverage.....	9
Enrollment.....	9
PERIOD OF COVERAGE	9
Effective Date.....	9
Changes in Coverage.....	10
Termination.....	11
Continuation Provisions.....	11
BENEFITS.....	11
Disability Benefit.....	11
Mental Illness and Substance Abuse Benefits.....	12
Family Care Credit Benefit.....	14
Survivor Income Benefit.....	14
Workplace Modification Benefit.....	14
EXCLUSIONS AND LIMITATIONS	15
Pre-Existing Condition Limitation	15
GENERAL PROVISIONS.....	16
DEFINITIONS.....	19
AMENDATORY RIDER.....	24

SCHEDULE OF INSURANCE

The Policy of long term Disability insurance provides You with long term income protection if You become Disabled from a covered injury, Sickness or pregnancy.

The benefits described herein are those in effect as of May 1, 2011

Cost of Coverage:

You must contribute toward the cost of coverage.

Eligible Class(es) for Coverage:

- Class 1: All Full-time and Part-time Active Employees who are citizens or legal residents of the United States, its territories and protectorates, excluding employees classified as emergency medical service or firefighters, temporary, leased or seasonal employees.
- Class 2: All Full-time and Part-time Active Employees classified as emergency medical service who are citizens or legal residents of the United States, its territories and protectorates, excluding employees classified as firefighters, temporary, leased or seasonal employees.
- Class 3: All Full-time and Part-time Active Employees classified as firefighters who are citizens or legal residents of the United States, its territories and protectorates, excluding employees classified as emergency medical service, temporary, leased or seasonal employees.

Full-time	at least 30 hours weekly
Employment:	
Part-time	at least 20 hours weekly
Employment:	

Annual Enrollment Period: as determined by Your Employer on a yearly basis.

Eligibility Waiting Period for Coverage:

None

Elimination Period: 90 day(s)

Maximum Monthly Benefit: \$7,500

Minimum Monthly Benefit: the greater of:

- 1) \$100; or
- 2) 10% of the benefit based on Monthly Income Loss before the deduction of Other Income Benefits.

Benefit Percentage: 60%

Maximum Duration of Benefits

Maximum Duration of Benefits Table

Age When Disabled	Benefits Payable
Prior to Age 62	To Age 65, or for 42 months, if greater
Age 62	42 months
Age 63	36 months
Age 64	30 months
Age 65	24 months
Age 66	21 months
Age 67	18 months

Age 68
Age 69 and over

15 months
12 months

Additional Benefit

Family Care Credit Benefit
see Benefit

Survivor Income Benefit
see Benefit

Workplace Modification Benefit
see Benefit

ELIGIBILITY AND ENROLLMENT

Eligible Persons: *Who is eligible for coverage?*

All persons in the class or classes shown in the Schedule of Insurance will be considered Eligible Persons.
GBD-1200 D01

Eligibility for Coverage: *When will I become eligible?*

You will become eligible for coverage on the later of:

- 1) the Policy Effective Date; or
- 2) the date You complete the Eligibility Waiting Period for Coverage shown in the Schedule of Insurance, if applicable.

GBD-1200 D02

Enrollment: *How do I enroll for coverage?*

For coverage, You must enroll. To enroll for coverage You must complete and sign a group insurance enrollment form which is satisfactory to Us. Your Employer will provide instructions.

If You do not enroll within 31 days after becoming eligible under The Policy, or if You were eligible to enroll under the Prior Policy and did not do so, and later choose to enroll You may only enroll:

- 1) during an Annual Enrollment Period designated by the Policyholder; or
- 2) within 31 days of the date You have a Change in Family Status.

GBD-1200 D03

GBD-1200 D04

Change in Family Status: *What constitutes a Change in Family Status?*

A Change in Family Status occurs when:

- 1) You get married or You execute a domestic partner affidavit;
- 2) You and Your spouse divorce or You terminate a domestic partnership;
- 3) Your child is born or You adopt or become the legal guardian of a child;
- 4) Your spouse or domestic partner dies;
- 5) Your child is no longer financially dependent on You or dies;
- 6) Your spouse is no longer employed, which results in a loss of group insurance; or
- 7) You have a change in classification from part-time to full-time or from full-time to part-time.

GBD-1200 D05

PERIOD OF COVERAGE

Effective Date: *When does my coverage start?*

Your coverage will start on the earliest of:

- 1) the date You become eligible, if You enroll or have enrolled by then; or

- 2) the date on which You enroll, if You do so within 31 days after the date You are eligible; or
- 3) the January 1st following the Annual Enrollment Period if You enroll, during an Annual Enrollment Period.

GBD-1200 E01

GBD-1200 E05

Changes in Coverage: *Can I change my benefit options?*

You may change Your benefit option only:

- 1) during an Annual Enrollment Period; or
- 2) within 31 days of a Change in Family Status.

When will a requested change in benefit option take effect?

If You enroll for a change in benefit option during an Annual Enrollment Period, the change will take effect on the January 1st following the Annual Enrollment Period.

If You enroll for a change in benefit option within 31 days following a Change in Family Status, the change will take effect on the earlier of:

- 1) the first date for the following pay period; or
- 2) the first date of the month following the date You enroll for the change.

Any such increase in coverage is subject to the Pre-existing Conditions Limitations provision.

Do coverage amounts change if there is a change in my rate of pay?

Your coverage may increase or decrease on the date there is a change in Pre-disability Earnings. However, no increase in coverage will be effective unless on that date You:

- 1) are an Active Employee; and
- 2) are not absent from work due to being Disabled. If You were so absent from work, the effective date of such increase will be deferred until You are Actively at Work for one full day.

No change in Your Pre-disability Earnings will become effective until the date We receive notice of the change.

GBD-1200 E07

Continuity From A Prior Policy: *Is there continuity of coverage from a Prior Policy?*

If You were:

- 1) insured under the Prior Policy; and
- 2) not eligible to receive benefits under the Prior Policy;

on the day before the Policy Effective Date, the Deferred Effective Date provision will not apply.

Is my coverage under The Policy subject to the Pre-existing Condition Limitation?

If You become insured under The Policy on the Policy Effective Date and were covered under the Prior Policy on the day before the Policy Effective Date, the Pre-existing Conditions Limitation will end on the earliest of:

- 1) the Policy Effective Date, if Your coverage for the Disability was not limited by a pre-existing condition restriction under the Prior Policy; or
- 2) the date the restriction would have ceased to apply had the Prior Policy remained in force, if Your coverage was limited by a pre-existing condition limitation under the Prior Policy.

The amount of the Monthly Benefit payable for a Pre-existing Condition in accordance with the above paragraph will be the lesser of:

- 1) the Monthly Benefit which was paid by the Prior Policy; or
- 2) the Monthly Benefit provided by The Policy.

The Pre-existing Conditions Limitation will apply after the Policy Effective Date to the amount of a benefit increase which results from a change from the Prior Policy to The Policy, a change in benefit options, a change of class or a change in The Policy.

Do I have to satisfy an Elimination Period under The Policy if I was Disabled under the Prior Policy?

If You received Monthly benefits for disability under the Prior Policy, and You returned to work as a Active Employee before The Policy Effective Date, then, if within 6 months of Your return to work:

- 1) You have a recurrence of the same disability while covered under The Policy; and
- 2) there are no benefits available for the recurrence under the Prior Policy;

the Elimination Period, which would otherwise apply, will be waived if the recurrence would have been covered without any further elimination period under the Prior Policy.

GBD-1200 E08

Termination: *When will my coverage stop?*

Your coverage will end on the earliest of the following:

- 1) the date The Policy terminates;
- 2) the date The Policy no longer insures Your class;
- 3) the date premium payment is due but not paid by the Employer;
- 4) the last day of the pay period for which You make any required premium contribution; or
- 5) the date You cease to be a Active Employee in an eligible class for any reason,

unless coverage is extended under the Continuation Provisions.

GBD-1200 E10

Continuation Provisions: *Can my coverage be continued beyond the date it would otherwise terminate?*

Coverage can be continued by Your Employer beyond a date shown in the Termination provision, if Your Employer provides a plan of continuation which applies to all employees the same way. Continued coverage:

- 1) is subject to any reductions in The Policy;
- 2) is subject to payment of premium by the Employer; and
- 3) terminates if:
 - a) The Policy terminates; or
 - b) coverage for Your class terminates.

In any event, Your benefit level, or the amount of earnings upon which Your benefits may be based, will be that in effect on the day before Your coverage was continued. Coverage may be continued in accordance with the above restrictions and as described below:

Leave of Absence: If You are on a documented leave of absence Your coverage may be continued for 12 month(s) after the leave of absence commenced. If the leave terminates prior to the agreed upon date, this continuation will cease immediately.

Family Medical Leave: If You are granted a leave of absence, in writing, according to the Family and Medical Leave Act of 1993, or other applicable state or local law, Your coverage may be continued for up to 12 weeks, or 26 weeks if You qualify for Family Military Leave, or longer if required by other applicable law, following the date Your leave commenced. If the leave terminates prior to the agreed upon date, this continuation will cease immediately.

GBD-1200 E13

Coverage while Disabled: *Does my insurance continue while I am Disabled and no longer an Active Employee?*

If You are Disabled and You cease to be an Active Employee, Your insurance will be continued:

- 1) during the Elimination Period while You remain Disabled by the same Disability; and
- 2) after the Elimination Period for as long as You are entitled to benefits under The Policy.

GBD-1200 E14

Waiver of Premium: *Am I required to pay Premiums while I am Disabled?*

No premium will be due for You:

- 1) after the Elimination Period; and
- 2) for as long as benefits are payable.

GBD-1200 E19

Extension of Benefits for Total Disability: *Do my benefits continue if The Policy terminates?*

If You are entitled to benefits while Disabled and The Policy terminates, benefits:

- 1) will continue as long as You remain Disabled by the same Disability; but
- 2) will not be provided beyond the date We would have ceased to pay benefits had the insurance remained in force.

Termination of The Policy for any reason will have no effect on Our liability under this provision.

GBD-1200 E21

BENEFITS

Disability Benefit: *What are my Disability Benefits under The Policy?*

We will pay You a Monthly Benefit if You:

- 1) become Disabled while insured under The Policy;

- 2) are Disabled throughout the Elimination Period;
- 3) remain Disabled beyond the Elimination Period; and
- 4) submit Proof of Loss to Us.

Benefits accrue as of the first day after the Elimination Period and are paid monthly. However, benefits will not exceed the Maximum Duration of Benefits.

GBD-1200 F01

Mental Illness And Substance Abuse Benefits: *Are benefits limited for Mental Illness or Substance Abuse?*

If You are Disabled because of:

- 1) Mental Illness that results from any cause;
- 2) any condition that may result from Mental Illness;
- 3) alcoholism which is under treatment; or
- 4) the non-medical use of narcotics, sedatives, stimulants, hallucinogens, or any other such substance;

then, subject to all other provisions of The Policy, We will limit the Maximum Duration of Benefits.

Benefits will be payable for a total of 24 month(s), unless at the end of the 24 month(s) period:

- 1) You are confined in a hospital or other place licensed to provide medical care for the disabling condition, in which case:
 - a) benefits will continue during the confinement; and
 - b) if You are still Disabled when discharged, benefits will continue for a recovery period of up to 90 days; and
 - c) if You become re-confined during the recovery period for at least 14 consecutive days, benefits will continue during the confinement and another recovery period of up to 90 days; or
- 2) You continue to be Disabled and, within 7 days become confined in a hospital, or other place licensed to provide medical care, for the disabling condition for at least 14 consecutive days, in which case benefits will be paid while You are so confined.

GBD-1200 F05

Recurrent Disability: *What happens if I Recover but become Disabled again?*

Periods of Recovery during the Elimination Period will not interrupt the Elimination Period, if the number of days You return to work as an Active Employee are less than one-half (1/2) the number of days of Your Elimination Period.

Any day within such period of Recovery, will not count toward the Elimination Period.

After the Elimination Period, if You return to work as an Active Employee and then become Disabled and such Disability is:

- 1) due to the same cause; or
- 2) due to a related cause; and
- 3) within 6 month(s) of the return to work;

the Period of Disability prior to Your return to work and the recurrent Disability will be considered one Period of Disability, provided The Policy remains in force.

If You return to work as an Active Employee for 6 month(s) or more, any recurrence of a Disability will be treated as a new Disability. The new Disability is subject to a new Elimination Period and a new Maximum Duration of Benefits.

Period of Disability means a continuous length of time during which You are Disabled under The Policy.

Recover or Recovery means that You are no longer Disabled and have returned to work with the Employer and premiums are being paid for You.

GBD-1200 F07

Calculation of Monthly Benefit: Return to Work Incentive: *How are my Disability benefits calculated?*

If You remain Disabled after the Elimination Period, but work while You are Disabled, We will determine Your Monthly Benefit for a period of up to 12 consecutive months as follows:

- 1) multiply Your Pre-disability Earnings by the Benefit Percentage;
- 2) compare the result with the Maximum Benefit; and
- 3) from the lesser amount, deduct Other Income Benefits.

The result is Your Monthly Benefit. Current Monthly Earnings will not be used to reduce Your Monthly Benefit. However, if the sum of Your Monthly Benefit and Your Current Monthly Earnings exceeds 100% of Your Pre-disability Earnings, We will reduce Your Monthly Benefit by the amount of excess.

The 12 consecutive month period will start on the last to occur of:

- 1) the day You first start work; or
- 2) the end of the Elimination Period.

If You are Disabled and not receiving benefits under the Return to Work Incentive, We will calculate Your Monthly Benefit as follows:

- 1) multiply Your Monthly Income Loss by the Benefit Percentage;
- 2) compare the result with the Maximum Benefit; and
- 3) from the lesser amount, deduct Other Income Benefits.

The result is Your Monthly Benefit.

GBD-1200 F12

Calculation of Monthly Benefit: *What happens if the sum of my Monthly Benefit, Current Monthly Earnings and Other Income Benefits exceeds 100% of my Pre-disability Earnings?*

If the sum of Your Monthly Benefit, Current Monthly Earnings and Other Income Benefits exceeds 100% of Your Pre-disability Earnings, We will reduce Your Monthly Benefit by the amount of the excess. However, Your Monthly Benefit will not be less than the Minimum Monthly Benefit.

If an overpayment occurs, We may recover all or any portion of the overpayment, in accordance with the Overpayment Recovery provision.

GBD-1200 F14

Minimum Monthly Benefit: *Is there a Minimum Monthly Benefit?*

Your Monthly Benefit will not be less than the Minimum Monthly Benefit shown in the Schedule of Insurance.

GBD-1200 F15

Partial Month Payment: *How is the benefit calculated for a period of less than a month?*

If a Monthly Benefit is payable for a period of less than a month, we will pay 1/30 of the Monthly Benefit for each day You were Disabled.

GBD-1200 F16

Termination of Payment: *When will my benefit payments end?*

Benefit payments will stop on the earliest of:

- 1) the date You are no longer Disabled;
- 2) the date You fail to furnish Proof of Loss;
- 3) the date You are no longer under the Regular Care of a Physician;
- 4) the date You refuse Our request that You submit to an examination by a Physician or other qualified medical professional;
- 5) the date of Your death;
- 6) the date You refuse to receive recommended treatment that is generally acknowledged by Physicians to cure, correct or limit the disabling condition;
- 7) the last day benefits are payable according to the Maximum Duration of Benefits Table;
- 8) the date Your Current Monthly Earnings exceed:
 - a) 80% of Your Indexed Pre-disability Earnings if You are receiving benefits for being Disabled from Your Occupation; or
 - b) the product of Your Indexed Pre-disability Earnings and the Benefit percentage if You are receiving benefits for being Disabled from Any Occupation;
- 9) the date no further benefits are payable under any provision in The Policy that limits benefit duration; or
- 10) the date You refuse to participate in a Rehabilitation program, or refuse to cooperate with or try:
 - a) modifications made to the work site or job process to accommodate Your identified medical limitations to enable You to perform the Essential Duties of Your Occupation;
 - b) adaptive equipment or devices designed to accommodate Your identified medical limitations to enable You to perform the Essential Duties of Your Occupation;
 - c) modifications made to the work site or job process to accommodate Your identified medical limitations to enable You to perform the Essential Duties of Any Occupation, if You were receiving benefits for being disabled from Any Occupation; or
 - d) adaptive equipment or devices designed to accommodate Your identified medical limitations to enable You to perform the Essential Duties of Any Occupation, if You were receiving benefits for being disabled from Any Occupation;

provided a qualified Physician or other qualified medical professional agrees that such modifications, Rehabilitation program or adaptive equipment accommodate Your medical limitation.

GBD-1200 F18

Family Care Credit Benefit: *What if I must incur expenses for Family Care Services in order to participate in a Rehabilitation program?*

If You are working as part of a program of Rehabilitation, We will, for the purpose of calculating Your benefit, deduct the cost of Family Care from earnings received from work as a part of a program of Rehabilitation, subject to the following limitations:

- 1) Family Care means the care or supervision of:
 - a) Your children under age 13; or
 - b) a member of Your household who is mentally or physically handicapped and dependent upon You for support and maintenance;
- 2) the maximum monthly deduction allowed for each qualifying child or family member is:
 - a) \$350 during the first 12 months of Rehabilitation; and
 - b) \$175 thereafter;but in no event may the deduction exceed the amount of Your monthly earnings;
- 3) Family Care Credits may not exceed a total of \$2,500 during a calendar year;
- 4) the deduction will be reduced proportionally for periods of less than a month;
- 5) the charges for Family Care must be documented by a receipt from the caregiver;
- 6) the credit will cease on the first to occur of the following:
 - a) You are no longer in a Rehabilitation program; or
 - b) Family Care Credits for 24 months have been deducted during Your Disability; and
- 7) no Family Care provided by someone Related to the family member receiving the care will be eligible as a deduction under this provision.

Your Current Monthly Earnings after the deduction of Your Family Care Credit will be used to determine Your Monthly Income Loss. In no event will You be eligible to receive a Monthly Benefit under The Policy if Your Current Monthly Earnings before the deduction of the Family Care Credit exceed 80% of Your Indexed Pre-disability Earnings.

GBD-1200 F25

Survivor Income Benefit: *Will my survivors receive a benefit if I die while receiving Disability Benefits?*

If You were receiving a Monthly Disability Benefit at the time of Your death, We will pay a Survivor Income Benefit, when We receive proof satisfactory to Us:

- 1) of Your death; and
- 2) that the person claiming the benefit is entitled to it.

We must receive the satisfactory proof for Survivor Income Benefits within 1 year of the date of Your death.

We will pay the Survivor Income Benefit to Your Spouse If You do not have a Spouse, we will pay Your surviving Children in equal shares. If You do not have a Spouse or any Children, We will pay Your estate.

The Survivor Income Benefit is calculated as 3 times the lesser of:

- 1) Your Monthly Income Loss multiplied by the Benefit Percentage in effect on the date of Your death; or
- 2) The Maximum Monthly Benefit.

Spouse means Your lawful spouse.

Children means Your unmarried children under age 25 who are chiefly dependent upon You for support and maintenance. The term includes a stepchild living with You at the time of Your death.

GBD-1200 F27 (TX)

Workplace Modification Benefit: *Will the Rehabilitation program provide for modifications to my workplace to accommodate my return to work?*

We will reimburse Your Employer for the expense of reasonable Workplace Modifications to accommodate Your Disability and enable You to return to work as an Active Employee. You qualify for this benefit if:

- 1) Your Disability is covered by The Policy;
- 2) the Employer agrees to make modifications to the workplace in order to reasonably accommodate Your return to work and the performance of the Essential Duties of Your job; and
- 3) We approve, in writing, any proposed Workplace Modifications.

Benefits paid for such workplace modification shall not exceed the amount equal to the amount of the Maximum Monthly Benefit.

We have the right, at Our expense, to have You examined or evaluated by:

- 1) a Physician or other health care professional; or
- 2) a vocational expert or rehabilitation specialist;

of Our choice so that We may evaluate the appropriateness of any proposed modification.

We will reimburse the Employer's costs for approved Workplace Modifications after:

- 1) the proposed modifications made on Your behalf are complete;
- 2) We have been provided written proof of the expenses incurred to provide such modification; and
- 3) You have returned to work as an Active Employee.

Workplace Modification means change in Your work environment, or in the way a job is performed, to allow You to perform, while Disabled, the Essential Duties of Your job. Payment of this benefit will not reduce or deny any benefit You are eligible to receive under the terms of The Policy.

GBD-1200 F29

EXCLUSIONS AND LIMITATIONS

Exclusions: *What Disabilities are not covered?*

The Policy does not cover, and We will not pay a benefit for any Disability:

- 1) unless You are under the Regular Care of a Physician;
- 2) that is caused or contributed to by war or act of war (declared or not);
- 3) caused by Your commission of or attempt to commit a felony;
- 4) caused or contributed to by Your being engaged in an illegal occupation; or
- 5) caused or contributed to by an intentionally self inflicted injury.

If You are receiving or are eligible for benefits for a Disability under a prior disability plan that:

- 1) was sponsored by Your Employer; and
- 2) was terminated before the Effective Date of The Policy;

no benefits will be payable for the Disability under The Policy.

GBD-1200 G01

Pre-Existing Conditions Limitation: *Are benefits limited for Pre-existing Conditions?*

We will not pay any benefit, or any increase in benefits, under The Policy for any Disability that results from, or is caused or contributed to by, a Pre-existing Condition, unless, at the time You become Disabled:

- 1) You have not received Medical Care for the condition for 6 consecutive month(s) while insured under The Policy; or
- 2) You have been continuously insured under The Policy for 12 consecutive month(s).

Pre-existing Condition means:

- 1) any accidental bodily injury, sickness, Mental Illness, pregnancy, or episode of Substance Abuse; or
- 2) any manifestations, symptoms, findings, or aggravations related to or resulting from such accidental bodily injury, sickness, Mental Illness, pregnancy, or Substance Abuse;

for which You received Medical Care during the 3 month(s) period that ends the day before:

- 1) Your effective date of coverage; or
- 2) the effective date of a Change in Coverage.

Medical Care is received when a physician or other health care provider:

- 1) is consulted or gives medical advice; or
- 2) recommends, prescribes or provides Treatment.

Treatment includes, but is not limited to:

- 1) medical examinations, tests, attendance, or observation; and
- 2) use of drugs, medicines, medical services, supplies or equipment.

GBD-1200 G04

GENERAL PROVISIONS

Notice of Claim: *When should I notify the Company of a claim?*

You must give Us, written notice of a claim within 20 days after Disability or loss occurs. If notice cannot be given within that time, it must be given as soon as reasonably possible after that. Such notice must include Your name, Your address and the Policy Number.

GBD-1200 H01

Claim Forms: *Are special forms required to file a claim?*

We will send forms to You to provide Proof of Loss, within 15 days of receiving a Notice of Claim. If We do not send the forms within 15 days, You may submit any other written proof which fully describes the nature and extent of Your claim.

GBD-1200 H02

Proof of Loss: *What is Proof of Loss?*

Proof of Loss may include but is not limited to the following:

- 1) documentation of:
 - a) the date Your Disability began;
 - b) the cause of Your Disability;
 - c) the prognosis of Your Disability;
 - d) Your Pre-disability Earnings, Current Weekly Earnings or any income; and
 - e) evidence that You are under the Regular Care of a Physician;
- 2) any and all medical information, including x-ray films and photocopies of medical records, including histories, physical, mental or diagnostic examinations and treatment notes;
- 3) the names and addresses of all:
 - a) Physicians or other qualified medical professionals You have consulted;
 - b) hospitals or other medical facilities in which You have been treated; and
 - c) pharmacies which have filled Your prescriptions within the past three years;
- 4) Your signed authorization for Us to obtain and release:
 - a) medical, employment and financial information; and
 - b) any other information We may reasonably require;
- 5) Your signed statement identifying all Other Income Benefits.

GBD-1200 H03

Additional Proof of Loss: *What additional proof of loss is the Company entitled to?*

To assist Us in determining if You are Disabled, or to determine if You meet any other term or condition of The Policy, We have the right to require You to:

- 1) meet and interview with our representative; and
- 2) be examined by a Physician, vocational expert, functional expert, or other medical or vocational professional of Our choice.

Any such interview, meeting or examination will be:

- 1) at Our expense; and
- 2) as reasonably required by Us.

Your Additional Proof of Loss must be satisfactory to Us. Unless We determine You have a valid reason for refusal, We may deny, suspend or terminate Your benefits if You refuse to be examined or meet to be interviewed by Our representative.

GBD-1200 H04

Sending Proof of Loss: *When must proof of Loss be given?*

Written Proof of Loss must be sent to Us within 90 days after the start of the period for which We are liable for payment. If proof is not given by the time it is due, it will not affect the claim if:

- 1) it was not possible to give proof within the required time; and
- 2) proof is given as soon as possible; but
- 3) not later than 1 year after it is due, unless You are not legally competent.

We may request Proof of Loss throughout Your Disability. In such cases, We must receive the proof within 30 day(s) of the request.

GBD-1200 H05

Claim Payment: *When are benefit payments issued?*

When We determine that You;

- 1) are Disabled; and
- 2) eligible to receive benefits;

We will pay accrued benefits at the end of each month that You are Disabled. We may, at Our option, make an advance benefit payment based on Our estimated duration of Your Disability. If any payment is due after a claim is terminated, it will be paid not more than 60 days after Proof of Loss satisfactory to Us is received.

GBD-1200 H06

Claims to be Paid: *To whom will benefits for my claim be paid?*

All payments are payable to You. Any payments owed at Your death may be paid to:

- 1) Your designated beneficiary; or
- 2) the executors or administrators of Your estate.

If any payment is owed to:

- 1) a person who is a minor; or
- 2) a person who is not legally competent;

then We may pay up to \$1,000 to a person who is Related to You and who, at Our sole discretion, is entitled to it. Any such payment shall fulfill Our responsibility for the amount paid.

GBD-1200 H08

Claim Denial: *What notification will I receive if my claim is denied?*

If a claim for benefits is wholly or partly denied, You will be furnished with written notification of the decision. This written notification will:

- 1) give the specific reason(s) for the denial;
- 2) make specific reference to The Policy provisions on which the denial is based;
- 3) provide a description of any additional information necessary to perfect a claim and an explanation of why it is necessary; and
- 4) provide an explanation of the review procedure.

GBD-1200 H09

Claim Appeal: *What recourse do I have if my claim is denied?*

On any claim, You or Your representative may appeal to Us for a full and fair review. To do so You:

- 1) must request a review upon written application within:
 - a) 180 days of receipt of claim denial if the claim requires Us to make a determination of disability; or
 - b) 60 days of receipt of claim denial if the claim does not require Us to make a determination of disability; and
- 2) may request copies of all documents, records, and other information relevant to Your claim; and
- 3) may submit written comments, documents, records and other information relating to Your claim.

We will respond to You in writing with Our final decision on the claim. The Insurance Company will make a final decision no more than 45 days after it receives Your timely appeal. The time for final decision may be extended for one additional 45 day period provided that, prior to the extension, the Insurance Company notifies You in writing that an extension is necessary due to special circumstances, identifies those circumstances and gives the date by which it expects to render its decision. If Your claim is extended due to Your failure to submit information necessary to decide Your claim on appeal, the time for decision shall be tolled from the date on which the notification of the extension is sent to You until the date we receive Your response to the request.

GBD-1200 H10

Social Security: *When must I apply for Social Security Benefits?*

You must apply for Social Security disability benefits when the length of Your Disability meets the minimum duration required to apply for such benefits. You must apply within 45 days from the date of Our request. If the Social Security Administration denies Your eligibility for benefits, You will be required:

- 1) to follow the process established by the Social Security Administration to reconsider the denial; and
- 2) if denied again, to request a hearing before an Administrative Law Judge of the Office of Hearing and Appeals.

GBD-1200 H11

Benefit Estimates: *How does the Company estimate Disability benefits under the United States Social Security Act?*

We reserve the right to reduce Your Monthly Benefit by estimating the Social Security disability benefits You or Your spouse and children may be eligible to receive.

When We determine that You or Your Dependent may be eligible for benefits, We may estimate the amount of these benefits. We may reduce Your Monthly Benefit by the estimated amount.

Your Monthly Benefit will not be reduced by estimated Social Security disability benefits if:

- 1) You apply for Social Security disability benefits and pursue all required appeals in accordance with the Social Security provision; and
- 2) You have signed a form authorizing the Social Security Administration to release information about awards directly to Us; and
- 3) You have signed and returned Our reimbursement agreement, which confirms that You agree to repay all overpayments.

If We have reduced Your Monthly Benefit by an estimated amount and:

- 1) You or Your Dependent are later awarded Social Security disability benefits, We will adjust Your Monthly Benefit when We receive proof of the amount awarded, and determine if it was higher or lower than Our estimate; or
- 2) Your application for disability benefits has been denied, We will adjust Your Monthly Benefit when You provide Us proof of final denial from which You cannot appeal from an Administrative Law Judge of the Office of Hearing and Appeals.

If Your Social Security Benefits were lower than we estimated, and We owe You a refund, We will make such refund in a lump sum. If Your Social Security Benefits were higher than we estimated, and If Your Monthly Benefit has been overpaid, You must make a lump sum refund to Us equal to all overpayments, in accordance with the Overpayment Recovery provision

GBD-1200 H12

Overpayment: *When does an overpayment occur?*

An overpayment occurs:

- 1) when We determine that the total amount We have paid in benefits is more than the amount that was due to You under The Policy; or
- 2) when payment is made by Us that should have been made under another group policy.

This includes, but is not limited to, overpayments resulting from:

- 1) retroactive awards received from sources listed in the Other Income Benefits definition;
- 2) failure to report, or late notification to Us of any Other Income Benefit(s) or earned income;
- 3) misstatement;
- 4) fraud; or
- 5) any error We may make.

GBD-1200 H13

Overpayment Recovery: *How does the Company exercise the right to recover overpayments?*

We have the right to recover from You any amount that We determine to be an overpayment. You have the obligation to refund to Us any such amount. Our rights and Your obligations in this regard may also be set forth in the reimbursement agreement You will be required to sign when You become eligible for benefits under The Policy.

If benefits are overpaid on any claim, You must reimburse Us within 30 days.

If reimbursement is not made in a timely manner, We have the right to:

- 1) recover such overpayments from:
 - a) You;
 - b) any other organization;
 - c) any other insurance company;
 - d) any other person to or for whom payment was made; and
 - e) Your estate;
- 2) reduce or offset against any future benefits payable to You or Your survivors, including the Minimum Monthly Benefit, until full reimbursement is made. Payments may continue when the overpayment has been recovered;
- 3) refer Your unpaid balance to a collection agency; and
- 4) pursue and enforce all legal and equitable rights in court.

GBD-1200 H14

Subrogation: *What are the Company's subrogation rights?*

If You:

- 1) suffer a Disability because of the act or omission of a Third Party;
- 2) become entitled to and are paid benefits under The Policy in compensation for lost wages; and
- 3) do not initiate legal action for the recovery of such benefits from the Third Party in a reasonable period of time;

then We will be subrogated to any rights You may have against the Third Party and may, at Our option, bring legal action against the Third Party to recover any payments made by Us in connection with the Disability.

GBD-1200 H15

Reimbursement: *What are the Company's Reimbursement Rights?*

We have the right to request to be reimbursed for any benefit payments made or required to be made under The Policy for a Disability for which You recover payment from a Third Party.

If You recover payment from a Third Party as:

- 1) a legal judgment;
- 2) an arbitration award; or
- 3) a settlement or otherwise;

You must reimburse Us for the lesser of:

- 1) the amount of payment made or required to be made by Us; or
- 2) the amount recovered from the Third Party less any reasonable legal fees associated with the recovery.

GBD-1200 H16

Third Party means any person or legal entity whose act or omission, in full or in part, causes You to suffer a Disability for which benefits are paid or payable under The Policy.

Legal Actions: *When can legal action be taken against Us?*

Legal action cannot be taken against Us:

- 1) sooner than 61 days after the date proof of loss is given; or
- 2) more than 3 years after the date Proof of Loss is required to be given according to the terms of The Policy.

GBD-1200 H17

Insurance Fraud: *How does the Company deal with fraud?*

Insurance Fraud occurs when You and/or Your Employer provide Us with false information or file a claim for benefits that contains any false, incomplete or misleading information with the intent to injure, defraud or deceive Us. It is a crime if You and/or Your Employer commit Insurance Fraud. We will use all means available to Us to detect, investigate, deter and prosecute those who commit Insurance Fraud. We will pursue all available legal remedies if You and/or Your Employer perpetrate Insurance Fraud.

GBD-1200 H18

Misstatements: *What happens if facts are misstated?*

If material facts about You were not stated accurately:

- 1) Your premium may be adjusted; and
- 2) the true facts will be used to determine if, and for what amount, coverage should have been in force.

No statement, except fraudulent misstatements, made by You relating to Your insurability will be used to contest the insurance for which the statement was made after the insurance has been in force for two years during Your lifetime. In order to be used, the statement must be in writing and signed by You.

GBD-1200 H19

Policy Interpretation: *Who interprets the terms and conditions of The Policy?*

We have full discretion and authority to determine eligibility for benefits and to construe and interpret all terms and provisions of The Policy.

GBD-1200 H20

DEFINITIONS

Actively at Work means that You are:

- 1) physically present at Your customary place of employment with the intent and ability of

working the scheduled hours and performing the Essential Duties of Your Occupation on that day; or

- 2) on sick leave, vacation leave, family medical leave or an approved leave of absence.

GBD-1200 C01

Active Employee means an Employee who works for the Employer on a regular basis in the usual course of the Employer's business. This must be at least the number of hours shown in the Schedule of Insurance.

GBD-1200 C03

Any Occupation means any occupation for which You are qualified by education, training or experience, and that has an earnings potential greater than the lesser of:

- 1) the product of Your Indexed Pre-disability Earnings and the Benefit Percentage; or
- 2) the Maximum Monthly Benefit.

GBD-1200 C05

Current Monthly Earnings means monthly earnings You receive from:

- 1) Your Employer; and
- 2) other employment;

while You are Disabled.

However, if the other employment is a job You held in addition to Your job with Your Employer, then during any period that You are entitled to benefits for being Disabled from Your Occupation, only the portion of Your earnings that exceeds Your average earnings from the other employer over the 6 month(s) period just before You became Disabled will count as Current Monthly Earnings.

GBD-1200 C09

Disability or Disabled means You are prevented from performing one or more of the Essential Duties of:

- 1) Your Occupation during the Elimination Period;
- 2) Your Occupation, for the 24 month(s) following the Elimination Period, and as a result Your Current Monthly Earnings are less than 80% of Your Indexed Pre-disability Earnings; and
- 3) after that, Any Occupation.

If at the end of the Elimination Period, You are prevented from performing one or more of the Essential Duties of Your Occupation, but Your Current Monthly Earnings are greater than 80% of Your Pre-disability Earnings, Your Elimination Period will be extended for a total period of 12 months from the original date of Disability, or until such time as Your Current Monthly Earnings are less than 80% of Your Pre-disability Earnings, whichever occurs first.

Your Disability must result from:

- 1) accidental bodily injury;
- 2) sickness;
- 3) Mental Illness;
- 4) Substance Abuse; or
- 5) pregnancy.

Your failure to pass a physical examination required to maintain a license to perform the duties of Your Occupation, alone, does not mean that You are Disabled.

GBD-1200 C14

Elimination Period means the longer of the number of consecutive days at the beginning of any one period of Disability which must elapse before benefits are payable or the expiration of any Employer sponsored short term Disability benefits or salary continuation program, excluding benefits required by state law.

GBD-1200 C16

Employer means the Policyholder.

GBD-1200 C17

Essential Duty means a duty that:

- 1) is substantial, not incidental;
- 2) is fundamental or inherent to the occupation; and
- 3) cannot be reasonably omitted or changed.

Your ability to work the number of hours in Your regularly scheduled work week is an Essential Duty.
GBD-1200 C18

Indexed Pre-disability Earnings means Your Pre-disability Earnings adjusted annually by adding the lesser of:

- 1) 10%; or
- 2) the percentage change in the Consumer Price Index (CPI-W).

The percentage change in the CPI-W means the difference between the current year's CPI-W as of July 31, and the prior year's CPI-W as of July 31, divided by the prior year's CPI-W. The adjustment is made January 1st each year after You have been Disabled for 12 consecutive month(s), provided You are receiving benefits at the time the adjustment is made.

The term Consumer Price Index (CPI-W) means the index for Urban Wage Earners and Clerical Workers published by the United States Department of Labor. It measures on a periodic (usually monthly) basis the change in the cost of typical urban wage earners' and clerical workers' purchase of certain goods and services. If the index is discontinued or changed, We may use another nationally published index that is comparable to the CPI-W.

GBD-1200 C19

Mental Illness means a mental disorder as listed in the current version of the Diagnostic and Statistical Manual of Mental Disorders, published by the American Psychiatric Association. A Mental Illness may be caused by biological factors or result in physical symptoms or manifestations.

For the purpose of The Policy, Mental Illness does not include the following mental disorders outlined in the Diagnostic and Statistical Manual of Mental Disorders:

- 1) Mental Retardation;
- 2) Pervasive Developmental Disorders;
- 3) Motor Skills Disorder;
- 4) Substance-Related Disorders;
- 5) Delirium, Dementia, and Amnesic and Other Cognitive Disorders; or
- 6) Narcolepsy and Sleep Disorders related to a General Medical Condition.

GBD-1200 C21

Monthly Benefit means a monthly sum payable to You while You are Disabled, subject to the terms of The Policy.

GBD-1200 C22

Monthly Income Loss means Your Pre-disability Earnings minus Your Current Monthly Earnings.

GBD-1200 C23

Other Income Benefits means the amount of any benefit for loss of income, provided to You or to Your family, as a result of the period of Disability for which You are claiming benefits under The Policy. This includes any such benefits for which You or Your family are eligible or that are paid to You, to Your family or to a third party on Your behalf, pursuant to any:

- 1) temporary, permanent disability, or impairment benefits under a Workers' Compensation Law, the Jones Act, occupational disease law, similar law or substitutes or exchanges for such benefits;
- 2) governmental law or program that provides disability or unemployment benefits as a result of Your job with the Employer;
- 3) plan or arrangement of coverage, including income from any sick leave, salary continuation, accrued vacation or exception vacation leave donated by another employee, whether insured or not, which is received from the Employer as a result of employment by or association with the Employer or which is the result of membership in or association with any group, association, union or other organization;
- 4) mandatory "no-fault" automobile insurance plan;
- 5) disability benefits under:
 - a) the United States Social Security Act or alternative plan offered by a state or municipal government;
 - b) the Railroad Retirement Act;
 - c) the Canada Pension Plan, the Canada Old Age Security Act, the Quebec Pension Plan or any provincial pension or disability plan; or
 - d) similar plan or act;that You, Your spouse and/or children, are eligible to receive because of Your Disability; or
- 6) disability benefit from the Department of Veterans Affairs, or any other foreign or domestic governmental agency:
 - a) that begins after You become Disabled; or
 - b) that You were receiving before becoming Disabled, but only as to the amount of any increase in the benefit attributed to Your Disability.

Other Income Benefits also means any payments that are made to You or to Your family, or to a third party on Your behalf, pursuant to any:

- 1) disability benefit under the Employer's Retirement plan;
- 2) temporary, permanent disability or impairment benefits under a Workers' Compensation Law, the Jones Act, occupational disease law, similar law or substitutes or exchanges for such benefits;
- 3) portion of a settlement or judgment, minus associated costs, of a lawsuit that represents or compensates for Your loss of earnings; or
- 4) retirement benefits under:
 - a) the United States Social Security Act or alternative plan offered by a state or municipal government;
 - b) the Railroad Retirement Act;
 - c) the Canada Pension Plan, the Canada Old Age Security Act, the Quebec Pension Plan or any provincial pension or disability plan;
 - d) similar plan or act;that You, Your spouse and children receive because of Your retirement, unless You were receiving them prior to becoming Disabled; or
- 5) retirement benefit from a Retirement Plan that is wholly or partially funded by employer contributions, unless:
 - a) You were receiving it prior to becoming Disabled; or
 - b) You immediately transfer the payment to another plan qualified by the United States Internal Revenue Service for the funding of a future retirement.

Other Income Benefits will not include the portion, if any, of such retirement benefit that was funded by Your after-tax contributions.

If You are paid Other Income Benefits in a lump sum or settlement, You must provide proof satisfactory to Us of:

- 1) the amount attributed to loss of income; and
- 2) the period of time covered by the lump sum or settlement.

We will pro-rate the lump sum or settlement over this period of time. If You cannot or do not provide this information, We will assume the entire sum to be for loss of income, and the time period to be 60 months. We may make a retroactive allocation of any retroactive Other Income Benefit. A retroactive allocation may result in an overpayment of Your claim.

The amount of any increase in Other Income Benefits will not be included as Other Income Benefits if such increase:

- 1) takes effect after the date benefits become payable under The Policy; and
- 2) is a general increase which applies to all persons who are entitled to such benefits.

GBD-1200 C24

Physician means a person who is:

- 1) a doctor of medicine, osteopathy, psychology or other legally qualified practitioner of a healing art that We recognize or are required by law to recognize;
- 2) licensed to practice in the jurisdiction where care is being given;
- 3) practicing within the scope of that license; and
- 4) not Related to You by blood or marriage.

GBD-1200 C27

Pre-disability Earnings means Your regular monthly rate of pay, not counting bonuses, commissions and tips and tokens, overtime pay or any other fringe benefits or extra compensation in effect on the last day You were Actively at Work before You became Disabled.

GBD-1200 C33

Prior Policy means the long term disability insurance carried by the Employer on the day before the Policy Effective Date.

GBD-1200 C34

Regular Care of a Physician means that You are being treated by a Physician:

- 1) whose medical training and clinical experience are suitable to treat Your disabling condition; and
- 2) whose treatment is:
 - a) consistent with the diagnosis of the disabling condition;
 - b) according to guidelines established by medical, research, and rehabilitative organizations; and
 - c) administered as often as needed;to achieve the maximum medical improvement.

GBD-1200 C35

Rehabilitation means a process of Our working together with You in order for Us to plan, adapt, and put into use options and services to meet Your return to work needs. A Rehabilitation program may include, when We consider it to be appropriate, any necessary and feasible:

- 1) vocational testing;
- 2) vocational training;
- 3) alternative treatment plans such as:
 - a) support groups;
 - b) physical therapy;
 - c) occupational therapy; or
 - d) speech therapy;
- 4) work-place modification to the extent not otherwise provided;
- 5) job placement;
- 6) transitional work; and
- 7) similar services.

GBD-1200 C36

Related means Your spouse or other adult living with You, sibling, parent, step-parent, grandparent, aunt, uncle, niece, nephew, son, daughter, or grandchild or similar relationship in law.

GBD-1200 C38

Retirement Plan means a defined benefit or defined contribution plan that provides benefits for Your retirement and which is not funded wholly by Your contributions. It does not include:

- 1) a profit sharing plan;
- 2) thrift, savings or stock ownership plans;
- 3) a non-qualified deferred compensation plan; or
- 4) an individual retirement account (IRA), a tax sheltered annuity (TSA), Keogh Plan, 401(k) plan, 403(b) plan or 457 deferred compensation arrangement.

GBD-1200 C39

Substance Abuse means the pattern of pathological use of alcohol or other psychoactive drugs and substances characterized by:

- 1) impairments in social and/or occupational functioning;
- 2) debilitating physical condition;
- 3) inability to abstain from or reduce consumption of the substance; or
- 4) the need for daily substance use to maintain adequate functioning.

Substance includes alcohol and drugs but excludes tobacco and caffeine.

GBD-1200 C42

The Policy means the Policy which We issued to the Policyholder under the Policy Number shown on the face page.

GBD-1200 C43

We, Our, or Us means the insurance company named on the face page of The Policy.

GBD-1200 C48

Your Occupation means Your Occupation as it is recognized in the general workplace. Your Occupation does not mean the specific job You are performing for a specific employer or at a specific location.

GBD-1200 C49

You or Your means the person to whom this certificate is issued.

GBD-1200 C50



AMENDATORY RIDER

This rider is attached to all certificates given in connection with The Policy and is effective on The Policy Effective Date.

This rider is intended to amend Your certificate, as indicated below, to comply with the laws of Your state of residence. Only those references to benefits, provisions or terms actually included in Your certificate will affect Your coverage.

For California residents:

- 1) The following is added to the definition of **Surviving Spouse** in the **Survivor Income Benefit**:
"Spouse" will also include an individual who is in a registered domestic partnership with You in accordance with California law. References to Your marriage or divorce will include Your registered domestic partnership or dissolution of Your registered domestic partnership.
- 2) The following is added to the definition of **Surviving Children** in the **Survivor Income Benefit**:
Surviving Children will also include children of Your California registered domestic partner.

For Colorado residents:

The **Complications of Pregnancy** definition is replaced by the following:

Complications of Pregnancy means a condition whose diagnosis is distinct from pregnancy but adversely affected or caused by pregnancy, such as:

- 1) acute nephritis or nephrosis;
- 2) cardiac decompensation;
- 3) missed abortion; and
- 4) similar medical and surgical conditions of comparable severity.

Complications of Pregnancy will also include:

- 1) pre-eclampsia;
- 2) placenta previa;
- 3) physician prescribed bed rest for intra-uterine growth retardation, funneling, incompetent cervix;
- 4) termination of ectopic pregnancy;
- 5) spontaneous termination of pregnancy, occurring during a period of gestation in which a viable birth is not possible;
- 6) non-elective cesarean section; and
- 7) similar medical and surgical conditions of comparable severity.

However, the term Complications of Pregnancy will not include:

- 1) elective cesarean section;
- 2) false labor, occasional spotting, or morning sickness;
- 3) hyperemesis gravidarum; or
- 4) similar conditions associated with the management of a difficult pregnancy not consisting of a nosologically distinct Complications of Pregnancy.

For Connecticut residents, the following is added to the definition of **Spouse**:

Spouse will include Your domestic partner, provided You have executed a domestic partner affidavit satisfactory to Us, establishing that You and Your partner are domestic partners for the purposes of The Policy. You will continue to be considered domestic partners provided You continue to meet the requirements described in the domestic partner affidavit.

For Indiana residents:

The last sentence in the **Policy Interpretation** provision is deleted and replaced by the following:

This provision applies only where the interpretation of The Policy is governed by the Employee Retirement Income Security Act of 1974, as amended (ERISA), 29 U.S.C. 1001 et seq.

For Louisiana residents, the following provision is added:

Reinstatement after Military Service: *Can my coverage be reinstated after return from active military service?*

If:

- 1) Your coverage terminates because You enter active military service; and
 - 2) You are rehired within 12 months of the date You return from active military service;
- then coverage may be reinstated, provided You request such reinstatement within 31 days of the date you return to work.

The reinstated coverage will:

- 1) be the same coverage amounts in force on the date coverage terminated; and
- 2) not be subject to any Waiting Period for Coverage, Evidence of Insurability or Pre-existing Conditions Limitations; and
- 3) be subject to all the terms and provisions of The Policy.

For Massachusetts residents, the following is added to the **Continuation Provisions**:

In accordance with Massachusetts state law, if Your insurance terminates because Your employment terminates or You cease to be a member of an eligible class, Your insurance will automatically be continued until the end of a 31 day period from the date Your insurance terminates or the date You become eligible for similar benefits under another group plan, whichever occurs first.

Additionally, if Your insurance terminates because Your employment is terminated as a result of a plant closing or covered partial closing, Your insurance may be continued. You must elect in writing to continue insurance and pay the required premium for continued coverage. Coverage will cease on the earliest to occur of the following dates:

- 1) 90 days from the date You were no longer eligible for coverage as a Full-time Active Employee;
- 2) the date You become eligible for similar benefits under another group plan;
- 3) the last day of the period for which required premium is made;
- 4) the date the group insurance policy terminates; or
- 5) the date Your Employer ceases to be a Participant Employer, if applicable.

Continued coverage is subject to all other applicable terms and conditions of The Policy.

For Minnesota residents:

- 1) the definition of **Any Occupation** is amended by the addition of the phrase "or may reasonably become qualified" to the first line;
- 2) The first two paragraphs of the **Pre-Existing Conditions Limitation** provision are deleted and replaced by the following:

No benefit will be payable under The Policy for any Disability that is due to, contributed to by, or results from a Pre-Existing Condition, unless such Disability or loss is incurred:

- 1) After the lesser of the last day of:
 - a) the number of days stated in Your certificate; or
 - b) 730 consecutive days;while insured, during which you receive no medical care for the Pre-Existing Condition; or
- 2) After the lesser of the last day of:
 - a) the number of days stated in Your certificate; or
 - b) 730 consecutive days;during which you have been continuously insured under The Policy.

The amount of a benefit increase, which results from a change in benefit options, a change of class or a change in The Policy, will not be paid for any disability that is due to, contributed to by, or results from a Pre-Existing Condition, unless such Disability begins:

- 1) After the lesser of the last day of :
 - a) the number of days stated in Your certificate; or
 - b) 730 consecutive days;while insured for the increased benefit amount during which you receive no medical care for the Pre-Existing Condition; or
- 2) After the lesser of the last day of :
 - a) the number of days stated in Your certificate; or
 - b) 730 consecutive days;during which you have been continuously insured for the increased benefit amount.

- 3) The definition of **Pre-existing Condition** in the **Pre-Existing Conditions Limitation** provision is deleted and is replaced by the following:

Pre-existing Condition means any accidental bodily injury, sickness, Mental Illness, pregnancy, or episode of Substance Abuse for which You received Medical Care during the lesser of:

- 1) the period of time stated in Your certificate; or
- 2) the 730 day period;

that ends the day before:

- 1) Your effective date of coverage; or
- 2) the effective date of a Change in Coverage.

For Missouri residents, the **Exclusion** related to intentionally self-inflicted Injury is replaced by the following:
intentionally self-inflicted Injury, suicide or attempted suicide, while sane; or

For Montana residents, pregnancy will be covered, the same as any other Sickness, anything in the Policy to the contrary notwithstanding.

For New Hampshire residents:

- 1) The definition of **Other Income Benefits** is amended by the deletion of 'mandatory "no-fault" automobile insurance plan';
- 2) LTD The time period, stated in the **Recurrent Disability** provision, within which a Disability must recur in order to be considered the same Period of Disability is changed to 6 months, if less than 6 months.
- 3) The **Policy Interpretation** provision is deleted and replaced by the following:
Under ERISA, the Company is hereby designated by the plan sponsor as a claim fiduciary with discretionary authority to determine eligibility for benefits and to interpret and construe the terms and provisions of the policy. As claim fiduciary, the Company has a duty to administer claims solely in the interest of the participants and beneficiaries of the employee benefit plan and in accordance with the documents and instruments governing the plan. This assignment of discretionary authority does not prohibit a participant or beneficiary from seeking judicial review of the Company's benefit eligibility determination after exhausting administrative remedies. The assignment of discretionary authority made under this provision may affect the standard of review that a court will use in reviewing the appropriateness of the Company's determination. In order to prevail, a plan participant or beneficiary may be required to prove that the Company's determination was arbitrary and capricious or an abuse of discretion.
- 4) The time periods stated in the **Claim Appeal** provision are changed to 180 days, if less than 180 days.

For North Carolina residents:

- 1) The definition of **Other Income Benefits** is amended by the deletion of 'mandatory "no-fault" automobile insurance plan';
- 2) The last sentence of the first paragraph of the **Disability Benefit** is amended by the addition of the following clause: "unless qualified medical professionals have determined that further medical care and treatment would be of no benefit to you."
- 3) The exclusion regarding Workers' Compensation benefits is replaced by the following in the **Exclusions** provision:
for which the final adjudication or a Workers' Compensation claim determines that benefits are paid, or may be paid, if duly claimed;
- 4) The **Subrogation** provision is deleted.

For Oregon residents:

The **Spouse** definition is amended to include the following:

Spouse will include Your domestic partner provided You:

- 1) have executed a domestic partner affidavit satisfactory to Us, establishing that You and Your partner are domestic partners for purposes of The Policy; or
- 2) have registered as domestic partners with a government agency or office where such registration is available.

You will continue to be considered domestic partners provided You continue to meet the requirements of the law or as described in the domestic partner affidavit.

The definition of **Surviving Spouse** in the **Survivor Income Benefit** section is replaced with the following:

Survivor Income Benefit: *Will my survivors receive a benefit if I die while receiving Disability Benefits?*

Surviving Spouse means Your wife or husband who was not legally separated or divorced from You when You died.

Spouse will include Your domestic partner provided You:

- 1) have executed a domestic partner affidavit satisfactory to Us, establishing that You and Your partner are domestic partners for purposes of The Policy; or
- 2) have registered as domestic partners with a government agency or office where such registration is available.

You will continue to be considered domestic partners provided You continue to meet the requirements of the law or as described in the domestic partner affidavit.

The **Change in Family Status** provision is replaced by the following:

Change in Family Status: *What constitutes a Change in Family Status?*

A Change in Family Status means:

- 1) You get married or register as domestic partners or You execute a domestic partner affidavit;
- 2) You and Your spouse divorce or You terminate a domestic partnership;
- 3) Your child is born or You adopt or become the legal guardian of a child;
- 4) Your spouse or domestic partner dies;
- 5) Your child is emancipated or dies;
- 6) Your spouse or domestic partner is no longer employed, which results in a loss of group insurance; or
- 7) You have a change in classification from part-time to full-time or from full-time to part-time.

For South Carolina residents:

- 1) The first paragraph of the **Continuity from a Prior Policy** provision is replaced by the following:
If You become insured under The Policy on the Policy Effective Date and **within 30 days of being covered under the Prior Policy**, the Pre-existing Conditions Limitation will end on the earliest of:
 - 1) the Policy Effective Date, if Your coverage for the Disability was not limited by a pre-existing condition restriction under the Prior Policy; or
 - 2) the date the restriction would have ceased to apply had the Prior Policy remained in force, if Your coverage was limited by a pre-existing condition limitation under the Prior Policy.
- 2) The time period in the Notice of Claim provision is changed to 20 days, if not already 20 days.
- 3) The following is added to the Physical Examinations and Autopsy provision: "Such autopsy must be performed during the period of contestability and must take place in the state of South Carolina."

For South Dakota residents:

- 1) The definition of **Physician** is deleted and replaced by the following:
Physician means a legally qualified physician or surgeon other than a physician or surgeon who is related to You by blood or marriage or a physician or surgeon who is a partner of S-Corp Shareholder working with You in the same business. This does not apply in areas in which the immediate family member is the only physician in the area and acting within the scope of their normal employment.
- 2) The definition of **Other Income Benefits** is amended by the deletion of all references to **Your family, Your spouse and/or children**.
- 3) The provision titled **Policy Interpretation** is deleted in its entirety.

For Utah residents:

- 1) The time period during which You must be continuously insured in order to exercise the **Conversion Right** is changed to 6 consecutive months, if not already 6 consecutive months.
- 2) The time period in the **Sending Proof of Loss** provision is changed to 90 days, if not already 90 days.
- 3) The **Policy Interpretation** provision is deleted and replaced by the following:
Benefits under this plan will be paid only if We, the plan administrator, decides in Our discretion that you are entitled to them. We also have discretion to determine eligibility for benefits and to interpret the terms of conditions of the benefit plan. Determinations made by Us, the plan administrator, pursuant to this reservation of discretion does not prohibit or prevent a claimant from seeking judicial review in federal court or Our determinations.

The reservation of discretion made under this provision only establishes the scope of review that a federal court will apply when you seek judicial review of our determination of eligibility for benefits, the payment of benefits, or interpretation of the terms and conditions applicable to the plan.

We are an insurance company that provides insurance of this plan and the federal court will determine the level of discretion that it will accord Our determination.

For Vermont residents:

Purpose: Vermont law requires that health insurers offer coverage to parties to a civil union that is equivalent to coverage provided to married persons.

Definitions, Terms, Conditions and Provisions: The definitions, terms, conditions or any other provisions of the policy, contract, certificate and/or riders and endorsements to which this mandatory endorsement is attached are hereby amended and superseded as follows:

- 1) Terms that mean or refer to a marital relationship, or that may be construed to mean or refer to a marital relationship, such as "marriage", "spouse", "husband", "wife", "dependent", "next of kin", "relative", "beneficiary",

"survivor", "immediate family" and any other such terms, include the relationship created by a civil union established according to Vermont law.

- 2) Terms that mean or refer to the inception or dissolution of a marriage, such as "date of marriage", "divorce decree", "termination of marriage" and any other such terms include the inception or dissolution of a civil union established according to Vermont law.
- 3) Terms that mean or refer to family relationships arising from a marriage, such as "family", "immediate family", "dependent", "children", "next of kin", "relative", "beneficiary", "survivor" and any other such terms include family relationships created by a civil union established according to Vermont law.
- 4) "Dependent" means a spouse, a party to a civil union established according to Vermont law, and a child or children (natural, stepchild, legally adopted or a minor or disabled child who is dependent on the insured for support and maintenance) who is born to or brought to a marriage or to a civil union established according to Vermont law.
- 5) "Child or covered child" means a child (natural, step-child, legally adopted or a minor or disabled child who is dependent on the insured for support and maintenance) who is born to or brought to a marriage or to a civil union established according to Vermont law.

CAUTION: FEDERAL LAW RIGHTS MAY OR MAY NOT BE AVAILABLE

Vermont law grants parties to a civil union the same benefits, protections and responsibilities that flow from marriage under state law. However, some or all of the benefits, protections and responsibilities related to health insurance that are available to married persons under federal law may not be available to parties to a civil union. For example, federal law, the Employee Income Retirement Security Act of 1974 known as "ERISA", controls the employer/employee relationship with regard to determining eligibility for enrollment in private employer health benefit plans. Because of ERISA, Act 91 does not state requirements pertaining to a private employer's enrollment of a party to a civil union in an ERISA employee welfare benefit plan. However, governmental employers (not federal government) are required to provide health benefits to the dependents of a party to a civil union if the public employer provides health benefits to the dependents of married persons. Federal law also controls group health insurance continuation rights under COBRA for employers with 20 or more employees as well as the Internal Revenue Code treatment of health insurance premiums. As a result, parties to a civil union and their families may or may not have access to certain benefits under this policy, contract, certificate, rider or endorsement that derive from federal law. You are advised to seek expert advice to determine your rights under this contract.

For Virginia residents, any and all references to Domestic Partners are hereby deleted.

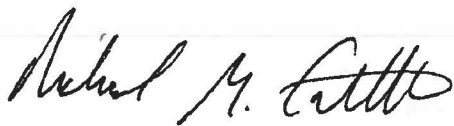
For Washington residents:

- 1) The term "hyperemesis gravidarum" is deleted from the third paragraph of the definition of **Complications of Pregnancy** and is added to the second paragraph;
- 2) The **General Work Stoppage** continuation provision is replaced with the following:
General Work Stoppage (including a strike or lockout): If Your employment terminates due to a cessation of active work as the result of a general work stoppage (including a strike or lockout), Your coverage shall be continued during the work stoppage until the last day of the month in which the coverage terminated, but in no event for a period exceeding six months. If the work stoppage ends, this continuation will cease immediately.
- 3) The provision titled **Policy Interpretation** is deleted in its entirety.
- 4) The following is added to the definition of **Spouse**:
Spouse will include Your domestic partner, provided You have executed a domestic partner affidavit satisfactory to Us, establishing that You and Your partner are domestic partners for the purposes of The Policy. You will continue to be considered domestic partners provided You continue to meet the requirements described in the domestic partner affidavit.

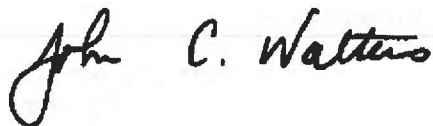
For Wisconsin residents, the time periods stated in the **Claim Appeal** provision are removed.

In all other respects, the Policy and certificates remain the same.

Signed for Hartford Life and Accident Insurance Company



Richard G. Costello, Secretary



John C. Walters, President

**The Plan Described in this Booklet
is Insured by the**

**Hartford Life and Accident Insurance Company
Simsbury, Connecticut
Member of The Hartford Insurance Group**

YOUR BENEFIT PLAN

THE CITY OF AUSTIN

Questions about Your Coverage

In the event You have questions regarding any aspect of Your coverage, You should contact Your Employee Benefits Manager or You may write to us at:

The Hartford
Group Benefits Division, Customer Service
P.O. Box 2999
Hartford, CT 06104-2999

Or call Us at: 1-800-523-2233

When calling, please give Us the following information:

- 1) the policy number; and
- 2) the name of the policyholder (employer or organization), as shown in Your Certificate of Insurance.

Or You may contact Our Sales Office:

Hartford Life and Accident Insurance Company
Group Sales Department
785 Greens Parkway
Suite 220
Houston, TX 77067
TOLL FREE: 800-392-7805
FAX: 281-877-3910

If you have a complaint, and contacts between you and the insurer or an agent or other representative of the insurer have failed to produce a satisfactory solution to the problem, the following states require we provide you with additional contact information:

For Residents of:	Write	Telephone
Arkansas	Arkansas Insurance Department Consumer Services Division 1200 West Third Street Little Rock, AR 72201-1904	1(800) 852-5494
California	State of California Insurance Department Consumer Communications Bureau 300 South Spring Street, South Tower Los Angeles, CA 90013	1(800) 927-HELP
Illinois	Illinois Department of Insurance Consumer Services Station Springfield, Illinois 62767	Consumer Assistance: 1(866) 445-5364 Officer of Consumer Health Insurance: 1(877) 527-9431
Indiana	Public Information/Market Conduct Indiana Department of Insurance 311 W. Washington St. Suite 300 Indianapolis, IN 46204-2787	Consumer Hotline: 1(800) 622-4461 1(317) 232-2395 (in the Indianapolis Area)
Virginia	Life and Health Division Bureau of Insurance P.O. Box 1157 Richmond, VA 23209	1(804) 371-9741 (inside Virginia) 1(800) 552-7945 (outside Virginia)
Wisconsin	Office of the Commissioner of Insurance Complaints Department P.O. Box 7873 Madison, WI 53707-7873	1(800) 236-8517 (outside of Madison) 1(608) 266-0103 (in Madison) to request a complaint form.

The following states require that We provide these notices to You about Your coverage:

For residents of:

Arizona	This certificate of insurance may not provide all benefits and protections provided by law in Arizona. Please read This certificate carefully.
Florida	The benefits of the policy providing you coverage are governed primarily by the law of a state other than Florida.
Maryland	The group insurance policy providing coverage under this certificate was issued in a jurisdiction other than Maryland and may not provide all the benefits required by Maryland law.
Montana	The benefits of the policy providing your coverage are governed primarily by the law of a state other than Montana.

Georgia

The laws of the state of Georgia prohibit insurers from unfairly discriminating against any person based upon his or her status as a victim of family abuse.

Maine

The benefits under this policy are subject to reduction due to other sources of income.

This means that your benefits will be reduced by the amount of any other benefits for loss of time provided to you or for which you are eligible as a result of the same period of disability for which you claim benefits under this policy.

Other sources of income are plans or arrangements of coverage that provide disability-related benefits such as Worker's Compensation or other similar governmental programs or laws, or disability-related benefits received from your employer or as the result of your employment, membership or association with any group, union, association or other organization. Other sources of income include disability-related benefits under the United States Social Security Act or an alternate governmental plan, the Railroad Retirement Act, and other similar plans or acts. Other sources of income may also include certain disability-related or retirement benefits that you receive because of your retirement unless you were receiving them prior to becoming disabled.

What comprises other sources of income under this policy is determined by the nature of the policyholder. Therefore, we strongly urge you to **Read Your Certificate Carefully**. A full description of the plans and types of plans considered to be other sources of income under this policy will be found in the definition of "Other Income Benefits" located in the Definitions section of your certificate.

North Carolina

UNDER NORTH CAROLINA GENERAL STATUTE SECTION 58-50-40, NO PERSON, EMPLOYER, FINANCIAL AGENT, TRUSTEE, OR THIRD PARTY ADMINISTRATOR, WHO IS RESPONSIBLE FOR THE PAYMENT OF GROUP LIFE INSURANCE, GROUP HEALTH OR GROUP HEALTH PLAN PREMIUMS, SHALL:

- 1) CAUSE THE CANCELLATION OR NONRENEWAL OF GROUP LIFE INSURANCE, GROUP HEALTH INSURANCE, HOSPITAL, MEDICAL, OR DENTAL SERVICE CORPORATION PLAN, MULTIPLE EMPLOYER WELFARE ARRANGEMENT, OR GROUP HEALTH PLAN COVERAGES AND THE CONSEQUENTIAL LOSS OF THE COVERAGES OF THE PERSON INSURED, BY WILLFULLY FAILING TO PAY THOSE PREMIUMS IN ACCORDANCE WITH THE TERMS OF THE INSURANCE OR PLAN CONTRACT; AND
- 2) WILLFULLY FAIL TO DELIVER, AT LEAST 45 DAYS BEFORE THE TERMINATION OF THOSE COVERAGES, TO ALL PERSONS COVERED BY THE GROUP POLICY WRITTEN NOTICE OF THE PERSON'S INTENTION TO STOP PAYMENT OF PREMIUMS. VIOLATION OF THIS LAW IS A FELONY. ANY PERSON VIOLATING THIS LAW IS ALSO SUBJECT TO A COURT ORDER REQUIRING THE PERSON TO COMPENSATE PERSONS INSURED FOR EXPENSES OR LOSSES INCURRED AS A RESULT OF THE TERMINATION OF THE INSURANCE.

IMPORTANT TERMINATION INFORMATION

YOUR INSURANCE MAY BE CANCELLED BY THE COMPANY. PLEASE READ THE TERMINATION PROVISION IN THIS CERTIFICATE.

THIS CERTIFICATE OF INSURANCE PROVIDES COVERAGE UNDER A GROUP MASTER POLICY. THIS CERTIFICATE PROVIDES ALL OF THE BENEFITS MANDATED BY THE NORTH CAROLINA INSURANCE CODE, BUT YOU MAY NOT RECEIVE ALL OF THE PROTECTIONS PROVIDED BY A POLICY ISSUED IN NORTH CAROLINA AND GOVERNED BY ALL OF THE LAWS OF NORTH CAROLINA.

**PRE-EXISTING LIMITATION
READ CAREFULLY**

NO BENEFITS WILL BE PAYABLE UNDER THIS PLAN FOR PRE-EXISTING CONDITIONS WHICH ARE NOT COVERED UNDER THE PRIOR PLAN. PLEASE READ THE LIMITATIONS IN THIS CERTIFICATE.

READ YOUR CERTIFICATE CAREFULLY.

IMPORTANT NOTICE

To obtain information or make a complaint:

You may call The Hartford's toll-free telephone number for information or to make a complaint at:

1-800-523-2233

You may also write to The Hartford at:

P.O. Box 2999
Hartford, CT 06104-2999

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance at:

P.O. Box 149104
Austin, TX 78714-9410
Fax # (512) 475-1771

Web: <http://www.tdi.state.tx.us>

E-mail: ConsumerProtection@tdi.state.tx.us

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact the agent or The Hartford first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

THIS IS NOT A POLICY OF WORKERS' COMPENSATION INSURANCE. THE EMPLOYER DOES NOT BECOME A SUBSCRIBER TO THE WORKERS' COMPENSATION SYSTEM BY PURCHASING THIS POLICY, AND IF THE EMPLOYER IS A NON-SUBSCRIBER, THE EMPLOYER LOSES THOSE BENEFITS WHICH WOULD OTHERWISE ACCRUE UNDER THE WORKERS' COMPENSATION LAWS. THE EMPLOYER MUST COMPLY WITH THE WORKERS' COMPENSATION LAW AS IT PERTAINS TO NON-SUBSCRIBERS AND THE REQUIRED NOTIFICATIONS THAT MUST BE FILED AND POSTED.

Texas

AVISO IMPORTANTE

Para obtener informacion o para someter una queja:

Usted puede llamar al numero de telefono gratis de The Hartford para informacion o para someter una queja al:

1-800-523-2233

Usted tambien puede escribir a The Hartford:

P.O. Box 2999
Hartford, CT 06104-2999

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:

P.O. Box 149104
Austin, TX 78714-9410
Fax # (512) 475-1771

Web: <http://www.tdi.state.tx.us>

E-mail: ConsumerProtection@tdi.state.tx.us

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente o The Hartford primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).



CERTIFICATE OF INSURANCE

HARTFORD LIFE AND ACCIDENT INSURANCE COMPANY
Simsbury, Connecticut
(A stock insurance company)

Policyholder: THE CITY OF AUSTIN
Policy Number: GRH-696962
Policy Effective Date: January 1, 2011
Policy Anniversary Date: January 1, 2012

We have issued The Policy to the Policyholder. Our name, the Policyholder's name and The Policy Number are shown above. The provisions of The Policy, which are important to You, are summarized in this certificate consisting of this form and any additional forms which have been made a part of this certificate. This certificate replaces any other certificate We may have given to You earlier under The Policy. The Policy alone is the only contract under which payment will be made. Any difference between The Policy and this certificate will be settled according to the provisions of The Policy on file with Us at Our home office. The Policy may be inspected at the office of the Policyholder.

Signed for the Company

Richard G. Costello, Secretary

John C. Walters, President

A note on capitalization in this certificate:

Capitalization of a term, not normally capitalized according to the rules of standard punctuation, indicates a word or phrase that is a defined term in The Policy or refers to a specific provision contained herein.

**FOR INFORMATION, QUESTIONS OR COMPLAINTS, CALL THE HARTFORD'S TOLL-FREE CONSUMER NUMBER,
1-800-368-3653. TEXAS DEPARTMENT OF INSURANCE: 1-800-252-3439**

TABLE OF CONTENTS

SCHEDULE OF INSURANCE.....	8
Cost of Coverage	8
Eligible Class(es) for Coverage.....	8
Eligibility Waiting Period for Coverage	8
Benefit Amounts.....	8
ELIGIBILITY AND ENROLLMENT	8
Eligible Persons	8
Eligibility for Coverage.....	9
Enrollment.....	9
PERIOD OF COVERAGE	9
Effective Date.....	9
Termination	9
Continuation Provisions.....	9
BENEFITS.....	10
Disability Benefit.....	10
Disabled and Working Benefit.....	10
Termination of Benefit Payment.....	11
EXCLUSIONS AND LIMITATIONS	11
GENERAL PROVISIONS.....	11
DEFINITIONS.....	15
AMENDATORY RIDER.....	20

SCHEDULE OF INSURANCE

The Policy of short term Disability insurance provides You with short term income protection if You become Disabled from a covered Injury, Sickness, or pregnancy.

The benefits described herein are those in effect as of May 1, 2011

Cost of Coverage:

You do not contribute toward the cost of coverage.

Eligible Class(es) For Coverage:

Class 1: All Full-time and Part-time Active Employees who are citizens or legal residents of the United States, its territories and protectorates, excluding employees classified as emergency medical service or firefighters, temporary, leased or seasonal employees.

Class 2: All Full-time and Part-time Active Employees classified as emergency medical service who are citizens or legal residents of the United States, its territories and protectorates, excluding employees classified as firefighters, temporary, leased or seasonal employees.

Class 3: All Full-time and Part-time Active Employees classified as firefighters who are citizens or legal residents of the United States, its territories and protectorates, excluding employees classified as emergency medical service, temporary, leased or seasonal employees.

Full-time Employment: at least 30 hours weekly

Part-time Employment: at least 20 hours weekly

Eligibility Waiting Period for Coverage:

None

Benefits Commence:

- 1) for Disability caused by Injury: on the 31st consecutive day of Total Disability or Disabled and Working;
- 2) for Disability caused by Sickness: on the 31st consecutive day of Total Disability or Disabled and Working.

Weekly Benefit:

The lesser of:

- 1) 70% of Your Pre-disability Earnings; or
- 2) \$1,200,

reduced by Other Income Benefits.

Minimum Weekly Benefit:

\$15

Maximum Duration of Benefits Payable:

- 1) 60 day(s) if caused by Injury; or
- 2) 60 day(s) if caused by Sickness.

Additional Benefits:

Disabled and Working Benefit
See Benefit

ELIGIBILITY AND ENROLLMENT

Eligible Persons: *Who is eligible for coverage?*

All persons in the class or classes shown in the Schedule of Insurance will be considered Eligible Persons.

GBD-1200 D01

Eligibility for Coverage: *When will I become eligible?*

You will become eligible for coverage on the later of:

- 1) the Policy Effective Date; or
- 2) the date You complete the Eligibility Waiting Period for Coverage shown in the Schedule of Insurance, if applicable.

GBD-1200 D02

Enrollment: *How do I enroll for coverage?*

All eligible Active Employees will be enrolled automatically by the Employer.

GBD-1200 D03

PERIOD OF COVERAGE

Effective Date: *When does my coverage start?*

Your coverage will start on the date You become eligible.

GBD-1200 E01

GBD-1200 E05

GBD-1200 E08

Termination: *When will my coverage stop?*

Your coverage will end on the earliest of the following:

- 1) the date The Policy terminates;
- 2) the date The Policy no longer insures Your class;
- 3) the date premium payment is due but not paid by the Employer;
- 4) the last day of the pay period for which You make any required premium contribution; or
- 5) the date You cease to be a Active Employee in an eligible class for any reason,

unless coverage is extended under the Continuation Provisions.

GBD-1200 E10

Continuation Provisions: *Can my coverage be continued beyond the date it would otherwise terminate?*

Coverage can be continued by Your Employer beyond a date shown in the Termination provision, if Your Employer provides a plan of continuation which applies to all employees the same way. Continued coverage:

- 1) is subject to any reductions in The Policy;
- 2) is subject to payment of premium by the Employer; and
- 3) terminates if:
 - a) The Policy terminates; or
 - b) coverage for Your class terminates.

In any event, Your benefit level, or the amount of earnings upon which Your benefits may be based, will be that in effect on the day before Your coverage was continued. Coverage may be continued in accordance with the above restrictions and as described below:

Leave of Absence: If You are on a documented leave of absence Your coverage may be continued for 12 month(s) after the leave of absence commenced. If the leave terminates prior to the agreed upon date, this continuation will cease immediately.

Family Medical Leave: If You are granted a leave of absence, in writing, according to the Family and Medical Leave Act of 1993, or other applicable state or local law, Your coverage may be continued for up to 12 weeks, or 26 weeks if You qualify for Family Military Leave, or longer if required by other applicable law, following the date Your leave commenced. If the leave terminates prior to the agreed upon date, this continuation will cease immediately.

GBD-1200 E13

Coverage while Disabled: *Does my insurance continue while I am Disabled and no longer an Active Employee?*

If You are Disabled and You cease to be an Active Employee, Your insurance will be continued:

- 1) while You remain Disabled; and
- 2) until the end of the period for which You are entitled to receive short term Disability Benefits.

After short term Disability benefit payments have ceased, Your insurance will be reinstated, provided:

- 1) You return to work for one full day as a Active Employee in an eligible class;
- 2) The Policy remains in force; and
- 3) the premiums for You were paid during Your Disability, and continue to be paid.

GBD-1200 E15

Extension of Benefits for Total Disability: *Do my benefits continue if The Policy terminates?*

If You are entitled to benefits while Disabled and The Policy terminates, benefits:

- 1) will continue as long as You remain Disabled by the same Disability; but
- 2) will not be provided beyond the date We would have ceased to pay benefits had the insurance remained in force.

Termination of The Policy for any reason will have no effect on Our liability under this provision.

GBD-1200 E21

BENEFITS

Disability Benefit: *What are my Disability Benefits under The Policy?*

If, while covered under this Benefit, You:

- 1) become Totally Disabled;
- 2) remain Totally Disabled; and
- 3) submit Proof of Loss to Us;

We will pay the Weekly Benefit.

The amount of any Weekly Benefit payable will be reduced by:

- 1) the total amount of all Other Income Benefits; and
- 2) any income received from the Employer for the period You are Totally Disabled.

Minimum Weekly Benefit: *Is there a Minimum Weekly Benefit?*

Your Weekly Benefit will not be less than the Minimum Weekly Benefit shown in the Schedule of Insurance.

GBD-1200 F04

Disabled and Working Benefits: *How are benefits paid when I am Disabled and Working?*

If, while covered under this benefit, You are Disabled and Working, as defined, We will use the following calculation to determine Your Weekly Benefit:

$$\text{Weekly Benefit} = \frac{(A - B)}{A} \times C$$

Where

A = Your Weekly Pre-disability Earnings.

B = Your Current Weekly Earnings.

C = The Weekly Benefit payable if You were Totally Disabled.

Days which You are Disabled and Working may be used to satisfy the Benefits Commence Period.

GBD-1200 F20

Partial Week Payment: *How is a benefit calculated for a period of less than a week?*

If a Weekly Benefit is payable for less than a week, We will pay 1/7 of the Weekly Benefit for each day You were Disabled.

GBD-1200 F04

Recurrent Disability: *What happens to my benefits if I return to work as an Active Employee and then become Disabled again?*

When Your return to work as an Active Employee is followed by a Disability, and such Disability is:

- 1) due to the same cause; or
- 2) due to a related cause; and
- 3) within 30 consecutive calendar day(s) of the return to work;

the Period of Disability prior to Your return to work and the recurrent Disability will be considered one Period of Disability, provided The Policy remains in force.

If You return to work as an Active Employee for 30 consecutive day(s) or more, any recurrence of a Disability will be treated as a new Disability.

Period of Disability means a continuous length of time during which You are Disabled under The Policy.
GBD-1200 F09

Multiple Causes: *How long will benefits be paid if a period of Disability is extended by another cause?*

If a period of Disability is extended by a new cause while Weekly Benefits are payable, Weekly Benefits will continue while You remain Disabled, subject to the following:

- 1) Weekly Benefits will not continue beyond the end of the original Maximum Duration of Benefits; and
- 2) any Exclusions will apply to the new cause of Disability.

GBD-1200 F10

Termination of Payment: *When will my benefit payments end?*

Benefit payments will stop on the earliest of:

- 1) the date You are no longer Disabled;
- 2) the date You fail to furnish Proof of Loss;
- 3) the date You are no longer under the Regular Care of a Physician;
- 4) the date You refuse Our request that You submit to an examination by a Physician or other qualified medical professional;
- 5) the date of Your death;
- 6) the date You refuse to receive recommended treatment that is generally acknowledged by Physicians to cure, correct or limit the disabling condition;
- 7) the last day benefits are payable according to the Maximum Duration of Benefits;
- 8) the date Your Current Weekly Earnings exceed 80% of Your Pre-disability Earnings if You are receiving benefits for being Disabled from Your Occupation; or
- 9) the date no further benefits are payable under any provision in The Policy that limits benefit duration.

GBD-1200 F19

EXCLUSIONS AND LIMITATIONS

Exclusions: *What Disabilities are not covered?*

The Policy does not cover, and We will not pay a benefit for any Disability:

- 1) unless You are under the Regular Care of a Physician;
- 2) that is caused or contributed to by war or act of war, whether declared or not;
- 3) caused by Your commission of or attempt to commit a felony;
- 4) caused or contributed to by Your being engaged in an illegal occupation;
- 5) caused or contributed to by an intentionally self-inflicted Injury;
- 6) for which Workers' Compensation benefits are paid, or may be paid if duly claimed; or
- 7) sustained as a result of doing any work for pay or profit for another employer.

If You are receiving or are eligible for benefits for a Disability under a prior disability plan that:

- 1) was sponsored by Your Employer; and
- 2) was terminated before the Effective Date of The Policy;

no benefits will be payable for the Disability under The Policy.

GBD-1200 G01

GENERAL PROVISIONS

Notice of Claim: *When should I notify the Company of a claim?*

You must give Us, telephonic notice of a claim within 20 days after Disability occurs. If notice cannot be given within that time, it must be given as soon as reasonably possible after that. Such notice must include Your name, Your address and the Policy Number.

GBD-1200 H01

Claim Forms: *Are special forms required to file a claim?*

We will send forms to You to provide Proof of Loss, within 15 days of receiving a Notice of Claim. If We do not send the forms within 15 days, You may submit any other telephonic proof which fully describes the nature and extent of Your claim.

Proof of loss is typically provided by telephone; however, if forms are required, they will be sent to You for providing Proof of Loss within 15 days after We receive a notice of claim.

GBD-1200 H02

Proof of Loss: *What is Proof of Loss?*

Proof of Loss may include but is not limited to the following:

- 1) documentation of:
 - a) the date Your Disability began;
 - b) the cause of Your Disability;
 - c) the prognosis of Your Disability;
 - d) Your Pre-disability Earnings, Current Weekly Earnings or any income; and
 - e) evidence that You are under the Regular Care of a Physician;
- 2) any and all medical information, including x-ray films and photocopies of medical records, including histories, physical, mental or diagnostic examinations and treatment notes;
- 3) the names and addresses of all:
 - a) Physicians or other qualified medical professionals You have consulted;
 - b) hospitals or other medical facilities in which You have been treated; and
 - c) pharmacies which have filled Your prescriptions within the past three years;
- 4) Your signed authorization for Us to obtain and release:
 - a) medical, employment and financial information; and
 - b) any other information We may reasonably require;
- 5) Your signed statement identifying all Other Income Benefits.

GBD-1200 H03

Additional Proof of Loss: *What additional proof of loss is the Company entitled to?*

To assist Us in determining if You are Disabled, or to determine if You meet any other term or condition of The Policy, We have the right to require You to:

- 1) meet and interview with our representative; and
- 2) be examined by a Physician, vocational expert, functional expert, or other medical or vocational professional of Our choice.

Any such interview, meeting or examination will be:

- 1) at Our expense; and
- 2) as reasonably required by Us.

Your Additional Proof of Loss must be satisfactory to Us. Unless We determine You have a valid reason for refusal, We may deny, suspend or terminate Your benefits if You refuse to be examined or meet to be interviewed by Our representative.

GBD-1200 H04

Sending Proof of Loss: *When must proof of Loss be given?*

Written Proof of Loss must be sent to Us within 90 day(s) after the start of the period for which We are liable for payment.

If proof is not given by the time it is due, it will not affect the claim if:

- 1) it was not possible to give proof within the required time; and
- 2) proof is given as soon as possible; but
- 3) not later than 1 year after it is due, unless You are not legally competent.

We may request Proof of Loss throughout Your Disability. In such cases, We must receive the proof within 30 day(s) of the request.

GBD-1200 H05

Claim Payment: *When are benefit payments issued?*

When We determine that You;

- 1) are Disabled; and
- 2) eligible to receive benefits;

We will pay accrued benefits at the end of each week that You are Disabled. We may, at Our option, make an advance benefit payment based on Our estimated duration of Your Disability. If any payment is due after a claim is terminated, it will be paid not more than 60 days after Proof of Loss satisfactory to Us is received.

GBD-1200 H06

Claims to be Paid: *To whom will benefits for my claim be paid?*

All payments are payable to You. Any payments owed at Your death may be paid to:

- 1) Your designated beneficiary; or
- 2) the executors or administrators of Your estate.

If any payment is owed to:

- 1) a person who is a minor; or
- 2) a person who is not legally competent;

then We may pay up to \$1,000 to a person who is Related to You and who, at Our sole discretion, is entitled to it. Any such payment shall fulfill Our responsibility for the amount paid.

GBD-1200 H08

Claim Denial: *What notification will I receive if my claim is denied?*

If a claim for benefits is wholly or partly denied, You will be furnished with written notification of the decision. This written notification will:

- 1) give the specific reason(s) for the denial;
- 2) make specific reference to The Policy provisions on which the denial is based;
- 3) provide a description of any additional information necessary to perfect a claim and an explanation of why it is necessary; and
- 4) provide an explanation of the review procedure.

GBD-1200 H09

Claim Appeal: *What recourse do I have if my claim is denied?*

On any claim, You or Your representative may appeal to Us for a full and fair review. To do so You:

- 1) must request a review upon written application within:
 - a) 180 days of receipt of claim denial if the claim requires Us to make a determination of disability; or
 - b) 60 days of receipt of claim denial if the claim does not require Us to make a determination of disability; and
- 2) may request copies of all documents, records, and other information relevant to Your claim; and
- 3) may submit written comments, documents, records and other information relating to Your claim.

We will respond to You in writing with Our final decision on the claim. The Insurance Company will make a final decision no more than 45 days after it receives Your timely appeal. The time for final decision may be extended for one additional 45 day period provided that, prior to the extension, the Insurance Company notifies You in writing that an extension is necessary due to special circumstances, identifies those circumstances and gives the date by which it expects to render its decision. If Your claim is extended due to Your failure to submit information necessary to decide Your claim on appeal, the time for decision shall be tolled from the date on which the notification of the extension is sent to You until the date we receive Your response to the request.

GBD-1200 H10

Social Security: *When must I apply for Social Security Benefits?*

You must apply for Social Security disability benefits when the length of Your Disability meets the minimum duration required to apply for such benefits. You must apply within 45 days from the date of Our request. If the Social Security Administration denies Your eligibility for benefits, You will be required:

- 1) to follow the process established by the Social Security Administration to reconsider the denial; and
- 2) if denied again, to request a hearing before an Administrative Law Judge of the Office of Hearing and Appeals.

GBD-1200 H11

Benefit Estimates: *How does the Company estimate Disability benefits under the United States Social Security Act?*

We reserve the right to reduce Your Weekly Benefit by estimating the Social Security disability benefits You or Your spouse and children may be eligible to receive.

When We determine that You or Your Dependent may be eligible for benefits, We may estimate the amount of these benefits. We may reduce Your Weekly Benefit by the estimated amount.

Your Weekly Benefit will not be reduced by estimated Social Security disability benefits if:

- 1) You apply for Social Security disability benefits and pursue all required appeals in accordance with the Social Security provision; and
- 2) You have signed a form authorizing the Social Security Administration to release information about awards directly to Us; and

- 3) You have signed and returned Our reimbursement agreement, which confirms that You agree to repay all overpayments.

If We have reduced Your Weekly Benefit by an estimated amount and:

- 1) You or Your Dependent are later awarded Social Security disability benefits, We will adjust Your Weekly Benefit when We receive proof of the amount awarded, and determine if it was higher or lower than Our estimate; or
- 2) Your application for Social Security disability benefits has been denied, We will adjust Your Weekly Benefit when You provide Us proof of final denial from which You cannot appeal from an Administrative Law Judge of the Office of Hearing and Appeals.

If Your Social Security benefits were lower than we estimated, and We owe You a refund, We will make such refund in a lump sum. If Your Social Security Benefits were higher than we estimated, and If Your Weekly Benefit has been overpaid, You must make a lump sum refund to Us equal to all overpayments, in accordance with the Overpayment Recovery provision.

GBD-1200 H12

Overpayment: *When does an overpayment occur?*

An overpayment occurs:

- 1) when We determine that the total amount We have paid in benefits is more than the amount that was due to You under The Policy; or
- 2) when payment is made by Us that should have been made under another group policy.

This includes, but is not limited to, overpayments resulting from:

- 1) retroactive awards received from sources listed in the Other Income Benefits definition;
- 2) failure to report, or late notification to Us of any Other Income Benefit(s) or earned income;
- 3) misstatement; or
- 4) fraud.

GBD-1200 H13

Overpayment Recovery: *How does the Company exercise the right to recover overpayments?*

We have the right to recover from You any amount that We determine to be an overpayment. You have the obligation to refund to Us any such amount. Our rights and Your obligations in this regard may also be set forth in the reimbursement agreement You will be required to sign when You become eligible for benefits under The Policy.

If benefits are overpaid on any claim, You must reimburse Us within 30 days.

If reimbursement is not made in a timely manner, We have the right to:

- 1) recover such overpayments from:
 - a) You;
 - b) any other organization;
 - c) any other insurance company;
 - d) any other person to or for whom payment was made; and
 - e) Your estate.
- 2) reduce or offset against any future benefits payable to You or Your survivors, including the Minimum Weekly Benefit, until full reimbursement is made. Payments may continue when the overpayment has been recovered;
- 3) refer Your unpaid balance to a collection agency; and
- 4) pursue and enforce all legal and equitable rights in court.

GBD-1200 H14

Subrogation: *What are the Company's subrogation rights?*

If You:

- 1) suffer a Disability because of the act or omission of a Third Party;
- 2) become entitled to and are paid benefits under The Policy in compensation for lost wages; and
- 3) do not initiate legal action for the recovery of such benefits from the Third Party in a reasonable period of time;

then We will be subrogated to any rights You may have against the Third Party and may, at Our option, bring legal action against the Third Party to recover any payments made by Us in connection with the Disability.

GBD-1200 H15

Reimbursement: *What are the Company's Reimbursement Rights?*

We have the right to request to be reimbursed for any benefit payments made or required to be made under The Policy for a Disability for which You recover payment from a Third Party.

If You recover payment from a Third Party as:

- 1) a legal judgment;
- 2) an arbitration award; or
- 3) a settlement or otherwise;

You must reimburse Us for the lesser of:

- 1) the amount of payment made or required to be made by Us; or
- 2) the amount recovered from the Third Party less any reasonable legal fees associated with the recovery.

Third Party as used in this provision means any person or legal entity whose act or omission, in full or in part, causes You to suffer a Disability for which benefits are paid or payable under The Policy.

GBD-1200 H16

Legal Actions: *When can legal action be taken against Us?*

Legal action cannot be taken against Us:

- 1) sooner than 61 days after the date proof of loss is given; or
- 2) more than 3 years after the date Proof of Loss is required to be given according to the terms of The Policy.

GBD-1200 H17

Insurance Fraud: *How does the Company deal with fraud?*

Insurance Fraud occurs when You and/or Your Employer provide Us with false information or file a claim for benefits that contains any false, incomplete or misleading information with the intent to injure, defraud or deceive Us. It is a crime if You and/or Your Employer commit Insurance Fraud. We will use all means available to Us to detect, investigate, deter and prosecute those who commit Insurance Fraud. We will pursue all available legal remedies if You and/or Your Employer perpetrate Insurance Fraud.

GBD-1200 H18

Misstatements: *What happens if facts are misstated?*

If material facts about You were not stated accurately:

- 1) Your premium may be adjusted; and
- 2) the true facts will be used to determine if, and for what amount, coverage should have been in force.

No statement, except fraudulent misstatements, made by You relating to Your insurability will be used to contest the insurance for which the statement was made after the insurance has been in force for two years during Your lifetime. In order to be used, the statement must be in writing and signed by You.

GBD-1200 H19

Policy Interpretation: *Who interprets the terms and conditions of The Policy?*

We have full discretion and authority to determine eligibility for benefits and to construe and interpret all terms and provisions of The Policy.

GBD-1200 H20

DEFINITIONS

Actively at Work means that You are:

- 1) physically present at Your customary place of employment with the intent and ability of working the scheduled hours and performing the Essential Duties of Your Occupation on that day; or
- 2) on sick leave, vacation leave, family medical leave or an approved leave of absence.

GBD-1200 C01

Active Employee means an Employee who works for the Employer on a regular basis in the usual course of the Employer's business. This must be at least the number of hours shown in the Schedule of Insurance.

GBD-1200 C02

Current Weekly Earnings means weekly earnings You receive from:

- 1) Your Employer; and

2) other employment;
while You are Disabled and eligible for the Disabled and Working Benefit.

However, if the other employment is a job You held in addition to Your job with Your Employer, then during any period that You are entitled to benefits for being Disabled from Your Occupation, only the portion of Your earnings that exceeds Your average earnings from the other employer over the 6 month period just before You became Disabled will count as Current Weekly Earnings.
GBD-1200 C09

Disabled and Working means that You are prevented by:

- 1) Injury;
- 2) Sickness;
- 3) Mental Illness;
- 4) Substance Abuse; or
- 5) pregnancy

from performing some, but not all of the Essential Duties of Your Occupation, are working on a part-time or limited duty basis, and as a result, Your Current Weekly Earnings are more than 20%, but are less than or equal to 80% of Your Pre-disability Earnings.
GBD-1200 C10

Disability or Disabled means Total Disability or Disabled and Working Disability.
GBD-1200 C11

Employer means the Policyholder.
GBD-1200 C17

Essential Duty means a duty that:

- 1) is substantial, not incidental;
- 2) is fundamental or inherent to the occupation; and
- 3) cannot be reasonably omitted or changed.

Your ability to work the number of hours in Your regularly scheduled work week is an Essential Duty.
GBD-1200 C18

Injury means bodily injury resulting:

- 1) directly from accident; and
- 2) independently of all other causes;

which occurs while You are covered under The Policy. However, an Injury will be considered a Sickness if Your Disability begins more than 30 days after the date of the accident.
GBD-1200 C20

Mental Illness means a mental disorder as listed in the current version of the Diagnostic and Statistical Manual of Mental Disorders, published by the American Psychiatric Association. A Mental Illness may be caused by biological factors or result in physical symptoms or manifestations.

For the purpose of The Policy, Mental Illness does not include the following mental disorders outlined in the Diagnostic and Statistical Manual of Mental Disorders:

- 1) Mental Retardation;
- 2) Pervasive Developmental Disorders;
- 3) Motor Skills Disorder;
- 4) Substance-Related Disorders;
- 5) Delirium, Dementia, and Amnesic and Other Cognitive Disorders; or
- 6) Narcolepsy and Sleep Disorders related to a General Medical Condition.

GBD-1200 C21

Other Income Benefits means the amount of any benefit for loss of income, provided to You or to Your family, as a result of the period of Disability for which You are claiming benefits under The Policy. This includes any such benefits for which You or Your family are eligible or that are paid to You, to Your family or to a third party on Your behalf, pursuant to any:

- 1) temporary, permanent disability, or impairment benefits under a Workers' Compensation Law, the Jones Act, occupational disease law, similar law or substitutes or exchanges for such benefits;
- 2) governmental law or program that provides disability or unemployment benefits as a result of Your job with the

Employer;

- 3) plan or arrangement of coverage, including income from any sick leave, salary continuation, accrued vacation or exception vacation leave donated by another employee, whether insured or not, which is received from the Employer as a result of employment by or association with the Employer or which is the result of membership in or association with any group, association, union or other organization;
- 4) mandatory "no-fault" automobile insurance plan;
- 5) disability benefits under:
 - a) the United States Social Security Act or alternative plan offered by a state or municipal government;
 - b) the Railroad Retirement Act;
 - c) the Canada Pension Plan, the Canada Old Age Security Act, the Quebec Pension Plan or any provincial pension or disability plan; or
 - d) similar plan or act;that You, Your spouse and/or children, are eligible to receive because of Your Disability; or
- 6) disability benefit from the Department of Veterans Affairs, or any other foreign or domestic governmental agency:
 - a) that begins after You become Disabled; or
 - b) that You were receiving before becoming Disabled, but only as to the amount of any increase in the benefit attributed to Your Disability.

Other Income Benefits also means any payments that are made to You or to Your family, or to a third party on Your behalf, pursuant to any:

- 1) disability benefit under the Employer's Retirement plan;
- 2) temporary, permanent disability or impairment benefits under a Workers' Compensation Law, the Jones Act, occupational disease law, similar law or substitutes or exchanges for such benefits;
- 3) portion of a settlement or judgment, minus associated costs, of a lawsuit that represents or compensates for Your loss of earnings; or
- 4) retirement benefits under:
 - a) the United States Social Security Act or alternative plan offered by a state or municipal government;
 - b) the Railroad Retirement Act;
 - c) the Canada Pension Plan, the Canada Old Age Security Act, the Quebec Pension Plan or any provincial pension or disability plan;
 - d) similar plan or act;that You, Your spouse and children receive because of Your retirement, unless You were receiving them prior to becoming Disabled; or
- 5) retirement benefit from a Retirement Plan that is wholly or partially funded by employer contributions, unless:
 - a) You were receiving it prior to becoming Disabled; or
 - b) You immediately transfer the payment to another plan qualified by the United States Internal Revenue Service for the funding of a future retirement.

Other Income Benefits will not include the portion, if any, of such retirement benefit that was funded by Your after-tax contributions.

If You are paid Other Income Benefits in a lump sum or settlement, You must provide proof satisfactory to Us of:

- 1) the amount attributed to loss of income; and
- 2) the period of time covered by the lump sum or settlement.

We will pro-rate the lump sum or settlement over this period of time. If You cannot or do not provide this information, We will assume the entire sum to be for loss of income, and the time period to be 60 months. We may make a retroactive allocation of any retroactive Other Income Benefit. A retroactive allocation may result in an overpayment of Your claim.

The amount of any increase in Other Income Benefits will not be included as Other Income Benefits if such increase:

- 1) takes effect after the date benefits become payable under The Policy; and
- 2) is a general increase which applies to all persons who are entitled to such benefits.

GBD-1200 C24

Physician means a person who is:

- 1) a doctor of medicine, osteopathy, psychology or other legally qualified practitioner of a healing art that We recognize or are required by law to recognize;
- 2) licensed to practice in the jurisdiction where care is being given;
- 3) practicing within the scope of that license; and
- 4) not Related to You by blood or marriage.

GBD-1200 C27

Pre-disability Earnings means Your regular weekly rate of pay, not counting bonuses, commissions, tips and tokens, overtime pay or any other fringe benefits or extra compensation in effect on the last day You were Actively at Work before You became Disabled.

GBD-1200 C33

Prior Policy means the short term disability insurance carried by the Policyholder on the day before the Policy Effective Date.

GBD-1200 C34

Regular Care of a Physician means that You are being treated by a Physician:

- 1) whose medical training and clinical experience are suitable to treat Your disabling condition; and
- 2) whose treatment is:
 - a) consistent with the diagnosis of the disabling condition;
 - b) according to guidelines established by medical, research, and rehabilitative organizations; and
 - c) administered as often as needed;

to achieve the maximum medical improvement.

GBD-1200 C35

Related means Your spouse or other adult living with You, sibling, parent, step-parent, grandparent, aunt, uncle, niece, nephew, son, daughter, or grandchild.

GBD-1200 C38

Sickness means a Disability which is:

- 1) caused or contributed to by:
 - a) any condition, illness, disease or disorder of the body;
 - b) any infection, except a pus-forming infection of an accidental cut or wound or bacterial infection resulting from an accidental ingestion of a contaminated substance;
 - c) hernia of any type unless it is the immediate result of an accidental Injury covered by The Policy; or
 - d) pregnancy;
- 2) caused or contributed to by any medical or surgical treatment for a condition shown in item 1) above.

GBD-1200 C40

Substance Abuse means the pattern of pathological use of alcohol or other psychoactive drugs and substances characterized by:

- 1) impairments in social and/or occupational functioning;
- 2) debilitating physical condition;
- 3) inability to abstain from or reduce consumption of the substance; or
- 4) the need for daily substance use to maintain adequate functioning.

Substance includes alcohol and drugs but excludes tobacco and caffeine.

GBD-1200 C42

The Policy means the Policy which We issued to the Policyholder under the Policy number shown on the face page.

GBD-1200 C43

Total Disability or Totally Disabled means that You are prevented by:

- 1) Injury;
- 2) Sickness;
- 3) Mental Illness;
- 4) Substance Abuse; or
- 5) pregnancy;

from performing the Essential Duties of Your Occupation, and as a result, You are earning less than 20% of Your Pre-disability Earnings. If You are in an occupation that requires You to maintain a license, Your failure to pass a physical examination required to maintain that license does not alone mean that You are Disabled from Your Occupation.

GBD-1200 C45

We, Our, or Us means the insurance company named on the face page of The Policy.

GBD-1200 C48

Weekly Benefit means a weekly sum payable to You while You are Disabled, subject to the terms of The Policy.
GBD-1200 C22a

Your Occupation means Your Occupation as it is recognized in the general workplace. Your Occupation does not mean the specific job You are performing for a specific employer or at a specific location.
GBD-1200 C49

You or Your means the person to whom this certificate is issued.
GBD-1200 C50



AMENDATORY RIDER

This rider is attached to all certificates given in connection with The Policy and is effective on The Policy Effective Date.

This rider is intended to amend Your certificate, as indicated below, to comply with the laws of Your state of residence. Only those references to benefits, provisions or terms actually included in Your certificate will affect Your coverage.

For Colorado residents:

The **Complications of Pregnancy** definition is replaced by the following:

Complications of Pregnancy means a condition whose diagnosis is distinct from pregnancy but adversely affected or caused by pregnancy, such as:

- 1) acute nephritis or nephrosis;
- 2) cardiac decompensation;
- 3) missed abortion; and
- 4) similar medical and surgical conditions of comparable severity.

Complications of Pregnancy will also include:

- 1) pre-eclampsia;
- 2) placenta previa;
- 3) physician prescribed bed rest for intra-uterine growth retardation, funneling, incompetent cervix;
- 4) termination of ectopic pregnancy;
- 5) spontaneous termination of pregnancy, occurring during a period of gestation in which a viable birth is not possible;
- 6) non-elective cesarean section; and
- 7) similar medical and surgical conditions of comparable severity.

However, the term Complications of Pregnancy will not include:

- 1) elective cesarean section;
- 2) false labor, occasional spotting, or morning sickness;
- 3) hyperemesis gravidarum; or
- 4) similar conditions associated with the management of a difficult pregnancy not consisting of a nosologically distinct Complications of Pregnancy.

For Indiana residents:

The last sentence in the **Policy Interpretation** provision is deleted and replaced by the following:

This provision applies only where the interpretation of The Policy is governed by the Employee Retirement Income Security Act of 1974, as amended (ERISA), 29 U.S.C. 1001 et seq.

For Louisiana residents, the following provision is added:

Reinstatement after Military Service: *Can my coverage be reinstated after return from active military service?*
If:

- 1) Your coverage terminates because You enter active military service; and
- 2) You are rehired within 12 months of the date You return from active military service;

then coverage may be reinstated, provided You request such reinstatement within 31 days of the date you return to work.

The reinstated coverage will:

- 1) be the same coverage amounts in force on the date coverage terminated; and
- 2) not be subject to any Waiting Period for Coverage, Evidence of Insurability or Pre-existing Conditions Limitations; and
- 3) be subject to all the terms and provisions of The Policy.

For Massachusetts residents, the following is added to the **Continuation Provisions**:

In accordance with Massachusetts state law, if Your insurance terminates because Your employment terminates or You cease to be a member of an eligible class, Your insurance will automatically be continued until the end of a 31

day period from the date Your insurance terminates or the date You become eligible for similar benefits under another group plan, whichever occurs first.

Additionally, if Your insurance terminates because Your employment is terminated as a result of a plant closing or covered partial closing, Your insurance may be continued. You must elect in writing to continue insurance and pay the required premium for continued coverage. Coverage will cease on the earliest to occur of the following dates:

- 1) 90 days from the date You were no longer eligible for coverage as a Full-time Active Employee;
- 2) the date You become eligible for similar benefits under another group plan;
- 3) the last day of the period for which required premium is made;
- 4) the date the group insurance policy terminates; or
- 5) the date Your Employer ceases to be a Participant Employer, if applicable.

Continued coverage is subject to all other applicable terms and conditions of The Policy.

For Minnesota residents:

- 1) the definition of **Any Occupation** is amended by the addition of the phrase "or may reasonably become qualified" to the first line;
- 2) The first two paragraphs of the **Pre-Existing Conditions Limitation** provision are deleted and replaced by the following:

No benefit will be payable under The Policy for any Disability that is due to, contributed to by, or results from a Pre-Existing Condition, unless such Disability or loss is incurred:

- 1) After the lesser of the last day of:
 - a) the number of days stated in Your certificate; or
 - b) 730 consecutive days;while insured, during which you receive no medical care for the Pre-Existing Condition; or
- 2) After the lesser of the last day of:
 - a) the number of days stated in Your certificate; or
 - b) 730 consecutive days;during which you have been continuously insured under The Policy.

The amount of a benefit increase, which results from a change in benefit options, a change of class or a change in The Policy, will not be paid for any disability that is due to, contributed to by, or results from a Pre-Existing Condition, unless such Disability begins:

- 1) After the lesser of the last day of :
 - a) the number of days stated in Your certificate; or
 - b) 730 consecutive days;while insured for the increased benefit amount during which you receive no medical care for the Pre-Existing Condition; or
- 2) After the lesser of the last day of :
 - a) the number of days stated in Your certificate; or
 - b) 730 consecutive days;during which you have been continuously insured for the increased benefit amount.

- 3) The definition of **Pre-existing Condition** in the **Pre-Existing Conditions Limitation** provision is deleted and is replaced by the following:

Pre-existing Condition means any accidental bodily injury, sickness, Mental Illness, pregnancy, or episode of Substance Abuse for which You received Medical Care during the lesser of:

- 1) the period of time stated in Your certificate; or
 - 2) the 730 day period;
- that ends the day before:
- 1) Your effective date of coverage; or
 - 2) the effective date of a Change in Coverage.

For Missouri residents, the **Exclusion** related to intentionally self-inflicted Injury is replaced by the following:
intentionally self-inflicted Injury, suicide or attempted suicide, while sane; or

For Montana residents, pregnancy will be covered, the same as any other Sickness, anything in the Policy to the contrary notwithstanding.

For New Hampshire residents:

- 1) The definition of **Other Income Benefits** is amended by the deletion of 'mandatory "no-fault" automobile insurance plan';

- 2) **STD** The time period, stated in the **Recurrent Disability** provision, within which a Disability must recur in order to be considered the same Period of Disability is changed to 30 days, if less than 30 days.
- 3) The **Policy Interpretation** provision is deleted and replaced by the following:
Under ERISA, the Company is hereby designated by the plan sponsor as a claim fiduciary with discretionary authority to determine eligibility for benefits and to interpret and construe the terms and provisions of the policy. As claim fiduciary, the Company has a duty to administer claims solely in the interest of the participants and beneficiaries of the employee benefit plan and in accordance with the documents and instruments governing the plan. This assignment of discretionary authority does not prohibit a participant or beneficiary from seeking judicial review of the Company's benefit eligibility determination after exhausting administrative remedies. The assignment of discretionary authority made under this provision may affect the standard of review that a court will use in reviewing the appropriateness of the Company's determination. In order to prevail, a plan participant or beneficiary may be required to prove that the Company's determination was arbitrary and capricious or an abuse of discretion.
- 4) The time periods stated in the **Claim Appeal** provision are changed to 180 days, if less than 180 days.

For North Carolina residents:

- 1) The definition of **Other Income Benefits** is amended by the deletion of 'mandatory "no-fault" automobile insurance plan';
- 2) The last sentence of the first paragraph of the **Disability Benefit** is amended by the addition of the following clause: "unless qualified medical professionals have determined that further medical care and treatment would be of no benefit to you."
- 3) The exclusion regarding Workers' Compensation benefits is replaced by the following in the Exclusions provision:
for which the final adjudication or a Workers' Compensation claim determines that benefits are paid, or may be paid, if duly claimed;
- 4) The **Subrogation** provision is deleted.

For Oregon residents:

The **Spouse** definition is amended to include the following:

Spouse will include Your domestic partner provided You:

- 1) have executed a domestic partner affidavit satisfactory to Us, establishing that You and Your partner are domestic partners for purposes of The Policy; or
- 2) have registered as domestic partners with a government agency or office where such registration is available.

You will continue to be considered domestic partners provided You continue to meet the requirements of the law or as described in the domestic partner affidavit.

The definition of **Surviving Spouse** in the **Survivor Income Benefit** section is replaced with the following:

Survivor Income Benefit: *Will my survivors receive a benefit if I die while receiving Disability Benefits?*

Surviving Spouse means Your wife or husband who was not legally separated or divorced from You when You died.

Spouse will include Your domestic partner provided You:

- 1) have executed a domestic partner affidavit satisfactory to Us, establishing that You and Your partner are domestic partners for purposes of The Policy; or
- 2) have registered as domestic partners with a government agency or office where such registration is available.

You will continue to be considered domestic partners provided You continue to meet the requirements of the law or as described in the domestic partner affidavit.

The **Change in Family Status** provision is replaced by the following:

Change in Family Status: *What constitutes a Change in Family Status?*

A Change in Family Status means:

- 1) You get married or register as domestic partners or You execute a domestic partner affidavit;
- 2) You and Your spouse divorce or You terminate a domestic partnership;
- 3) Your child is born or You adopt or become the legal guardian of a child;
- 4) Your spouse or domestic partner dies;
- 5) Your child is emancipated or dies;
- 6) Your spouse or domestic partner is no longer employed, which results in a loss of group insurance; or
- 7) You have a change in classification from part-time to full-time or from full-time to part-time.

For South Carolina residents:

- 1) The first paragraph of the **Continuity from a Prior Policy** provision is replaced by the following:

If You become insured under The Policy on the Policy Effective Date and **within 30 days of being covered under the Prior Policy**, the Pre-existing Conditions Limitation will end on the earliest of:

- 1) the Policy Effective Date, if Your coverage for the Disability was not limited by a pre-existing condition restriction under the Prior Policy; or
 - 2) the date the restriction would have ceased to apply had the Prior Policy remained in force, if Your coverage was limited by a pre-existing condition limitation under the Prior Policy.
- 2) The time period in the **Notice of Claim** provision is changed to 20 days, if not already 20 days.
 - 3) The following is added to the **Physical Examinations and Autopsy** provision: "Such autopsy must be performed during the period of contestability and must take place in the state of South Carolina."

For South Dakota residents:

- 1) The definition of **Physician** is deleted and replaced by the following:
Physician means a legally qualified physician or surgeon other than a physician or surgeon who is related to You by blood or marriage or a physician or surgeon who is a partner of S-Corp Shareholder working with You in the same business. This does not apply in areas in which the immediate family member is the only physician in the area and acting within the scope of their normal employment.
- 2) The definition of **Other Income Benefits** is amended by the deletion of all references to **Your family, Your spouse and/or children**.
- 3) The provision titled **Policy Interpretation** is deleted in its entirety.

For Utah residents:

- 1) The following statement is added to the definition of **Disabled and Working**: "This is considered a proportionate disability."
- 2) The time period during which You must be continuously insured in order to exercise the **Conversion Right** is changed to 6 consecutive months, if not already 6 consecutive months.
- 3) The time period in the **Sending Proof of Loss** provision is changed to 90 days, if not already 90 days.
- 4) The **Policy Interpretation** provision is deleted and replaced by the following:
Benefits under this plan will be paid only if We, the plan administrator, decides in Our discretion that you are entitled to them. We also have discretion to determine eligibility for benefits and to interpret the terms of conditions of the benefit plan. Determinations made by We, the plan administrator, pursuant to this reservation of discretion does not prohibit or prevent a claimant from seeking judicial review in federal court or Our determinations. The reservation of discretion made under this provision only establishes the scope of review that a federal court will apply when you seek judicial review of our determination of eligibility for benefits, the payment of benefits, or interpretation of the terms and conditions applicable to the plan. We are an insurance company that provides insurance of this plan and the federal court will determine the level of discretion that it will accord Our determination.

For Vermont residents:

Purpose: Vermont law requires that health insurers offer coverage to parties to a civil union that is equivalent to coverage provided to married persons.

Definitions, Terms, Conditions and Provisions: The definitions, terms, conditions or any other provisions of the policy, contract, certificate and/or riders and endorsements to which this mandatory endorsement is attached are hereby amended and superseded as follows:

- 1) Terms that mean or refer to a marital relationship, or that may be construed to mean or refer to a marital relationship, such as "marriage", "spouse", "husband", "wife", "dependent", "next of kin", "relative", "beneficiary", "survivor", "immediate family" and any other such terms, include the relationship created by a civil union established according to Vermont law.
- 2) Terms that mean or refer to the inception or dissolution of a marriage, such as "date of marriage", "divorce decree", "termination of marriage" and any other such terms include the inception or dissolution of a civil union established according to Vermont law.
- 3) Terms that mean or refer to family relationships arising from a marriage, such as "family", "immediate family", "dependent", "children", "next of kin", "relative", "beneficiary", "survivor" and any other such terms include family relationships created by a civil union established according to Vermont law.
- 4) "Dependent" means a spouse, a party to a civil union established according to Vermont law, and a child or children (natural, stepchild, legally adopted or a minor or disabled child who is dependent on the insured for support and maintenance) who is born to or brought to a marriage or to a civil union established according to Vermont law.
- 5) "Child or covered child" means a child (natural, step-child, legally adopted or a minor or disabled child who is dependent on the insured for support and maintenance) who is born to or brought to a marriage or to a civil union established according to Vermont law.

CAUTION: FEDERAL LAW RIGHTS MAY OR MAY NOT BE AVAILABLE

Vermont law grants parties to a civil union the same benefits, protections and responsibilities that flow from marriage under state law. However, some or all of the benefits, protections and responsibilities related to health insurance that are available to married persons under federal law may not be available to parties to a civil union. For example, federal law, the Employee Income Retirement Security Act of 1974 known as "ERISA", controls the employer/employee relationship with regard to determining eligibility for enrollment in private employer health benefit plans. Because of ERISA, Act 91 does not state requirements pertaining to a private employer's enrollment of a party to a civil union in an ERISA employee welfare benefit plan. However, governmental employers (not federal government) are required to provide health benefits to the dependents of a party to a civil union if the public employer provides health benefits to the dependents of married persons. Federal law also controls group health insurance continuation rights under COBRA for employers with 20 or more employees as well as the Internal Revenue Code treatment of health insurance premiums. As a result, parties to a civil union and their families may or may not have access to certain benefits under this policy, contract, certificate, rider or endorsement that derive from federal law. You are advised to seek expert advice to determine your rights under this contract.

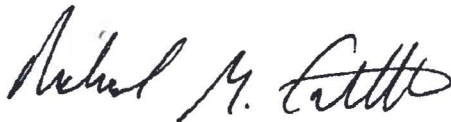
For Washington residents:

- 1) the term "hyperemesis gravidarum" is deleted from the third paragraph of the definition of **Complications of Pregnancy** and is added to the second paragraph;
- 2) the **General Work Stoppage** continuation provision is replaced with the following:
General Work Stoppage (including a strike or lockout): If Your employment terminates due to a cessation of active work as the result of a general work stoppage (including a strike or lockout), Your coverage shall be continued during the work stoppage until the last day of the month in which the coverage terminated, but in no event for a period exceeding six months. If the work stoppage ends, this continuation will cease immediately.
- 3) The provision titled **Policy Interpretation** is deleted in its entirety.

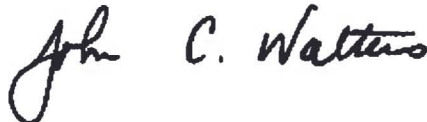
For Wisconsin residents, the time periods stated in the **Claim Appeal** provision are removed.

In all other respects, the Policy and certificates remain the same.

Signed for Hartford Life and Accident Insurance Company



Richard G. Costello, Secretary



John C. Walters, President

**The Plan Described in this Booklet
is Insured by the**

**Hartford Life and Accident Insurance Company
Simsbury, Connecticut
Member of The Hartford Insurance Group**

City of Austin - 696962
Premium & Paid Claims
As of 12/31/2014

	2011	2012	2013	2014	TOTAL
	1/1/11-12/31/11	1/1/12-12/31/12	1/1/13-12/31/13	1/1/14-12/31/14	
STD					
Premium	\$528,950	\$545,331	\$567,325	\$596,542	\$2,238,148
Claims	\$264,789	\$329,381	\$366,123	\$317,805	\$1,278,098
LR	50%	60%	65%	53%	57%
LTD**					
Premium	\$1,388,087	\$1,464,872	\$1,547,151	\$1,622,124	\$6,022,234
Claims	\$970,615	\$336,906	\$530,946	\$157,821	\$1,996,288
Reserves	\$403,876	\$119,728	\$695,402	\$949,967	\$2,168,973
LR	99%	31%	79%	68%	69%
* LTD Open Claims	9	6	19	17	51
LTD Closed Claims	43	23	23	8	97
TOTAL PREMIUM	\$1,917,037	\$2,010,203	\$2,114,476	\$2,218,666	\$8,260,382
TOTAL CLAIMS	\$1,639,280	\$786,015	\$1,592,471	\$1,425,593	\$5,443,359
TOTAL LOSS RATIO:	86%	39%	75%	64%	66%

*NOTE: If claims in any period are open, incurred claims in that period are subject to change.

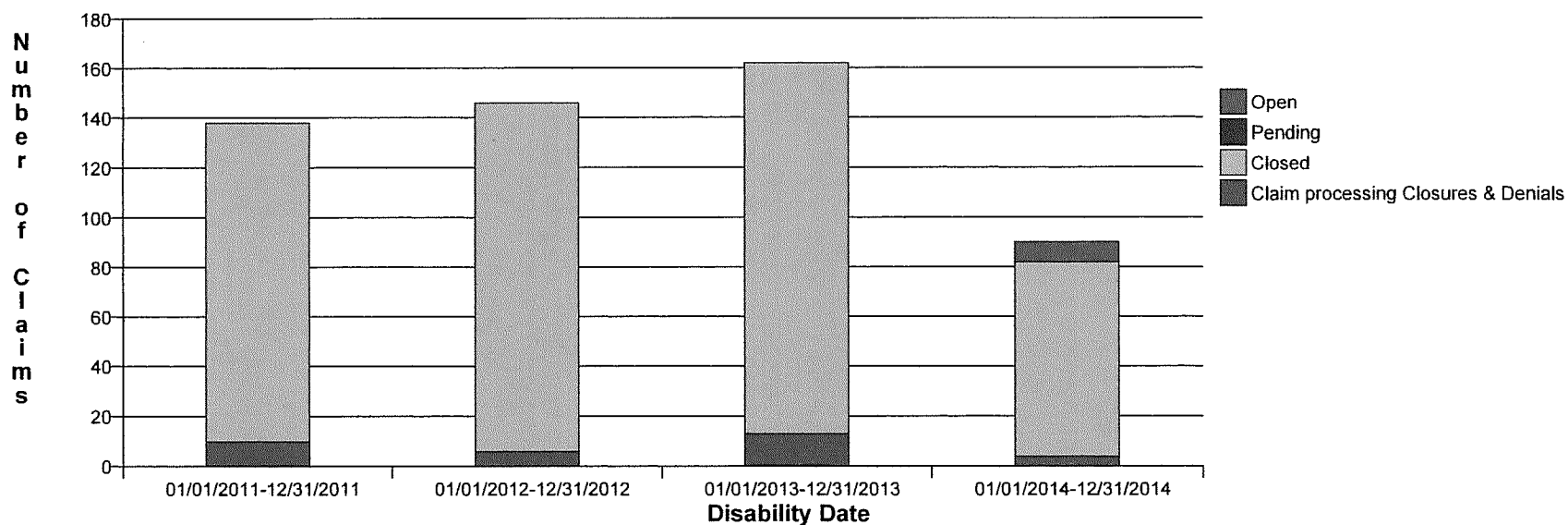


Case ID: 822680
Policy #(s): 696962G

Plan Year: January
As of Date: 12/31/2014

Case Name: THE CITY OF AUSTIN

STD Claim Count Distribution



Current Claim Status	01/01/2011-12/31/2011	01/01/2012-12/31/2012	01/01/2013-12/31/2013	01/01/2014-12/31/2014	Total
Open	-	-	-	8	8
Closed	128	140	149	78	495
Claim Processing Closures & Denials	10	6	13	4	33
Total Submitted	138	146	162	90	536
Total Open & Closed	128	140	149	86	503

Case Name: THE CITY OF AUSTIN
Claim Count Drill by Diagnosis Category

Diagnosis Category	01/01/2011-12/31/2011	01/01/2012-12/31/2012	01/01/2013-12/31/2013	01/01/2014-12/31/2014	Total
Normal Pregnancy	41	42	43	18	144
Musculoskeletal/Connective Disorders	23	22	24	19	88
Cesarian/Complication of Pregnancy	5	18	16	7	46
Cancer	7	3	9	8	27
Psychiatric Disorders	9	5	8	5	27
Circulatory System Disease	7	8	3	3	21
Fracture/Injury Lower Limb	3	6	9	-	18
All Other Disorders	7	4	5	1	17
Sprain/Strain Other	2	7	5	3	17
Digestive System Disease	5	4	3	2	14
Nervous System/Sense Organ Disorders	1	2	6	4	13
Fracture/Injury Upper Limb	6	-	3	-	9
Female Reproductive Disorders	2	4	-	2	8
Coronary Artery Disease	-	1	4	2	7
Infectious & Parasitic Disease	1	2	2	1	6
Diabetes	2	2	1	-	5
Kidney & Urinary Disease	-	2	2	1	5
Skin/Subcutaneous Tissue Disorders	-	2	2	1	5
Endocrine/Nutritional Disorder	1	-	1	2	4
Fracture/Injury Nervous System/Trunk	3	1	-	-	4
Respiratory System Disorders	1	1	-	2	4
Traumatic Injury	-	1	-	3	4
Substance Abuse-Drug	1	2	-	-	3
Substance Abuse-Alcohol	-	1	-	1	2
AIDS/AIDS Related Condition	-	-	1	-	1

Case Name: THE CITY OF AUSTIN

Breast Disorders	1	-	-	-	1
Carpal Tunnel	-	-	1	-	1
Hypertensive Disorders	-	-	1	-	1
Sprain/Strain Back	-	-	-	1	1
Total Open & Closed	128	140	149	86	503

Case Name: THE CITY OF AUSTIN
Claim Count Drill by Diagnosis Category

Diagnosis Category	01/01/2011- 12/31/2011	01/01/2012- 12/31/2012	01/01/2013- 12/31/2013	01/01/2014- 12/31/2014	Total
Normal Pregnancy	32.0%	30.0%	28.9%	20.9%	28.6%
Musculoskeletal/Connective Disorders	18.0%	15.7%	16.1%	22.1%	17.5%
Cesarian/Complication of Pregnancy	3.9%	12.9%	10.7%	8.1%	9.1%
Cancer	5.5%	2.1%	6.0%	9.3%	5.4%
Psychiatric Disorders	7.0%	3.6%	5.4%	5.8%	5.4%
Circulatory System Disease	5.5%	5.7%	2.0%	3.5%	4.2%
Fracture/Injury Lower Limb	2.3%	4.3%	6.0%	-	3.6%
All Other Disorders	5.5%	2.9%	3.4%	1.2%	3.4%
Sprain/Strain Other	1.6%	5.0%	3.4%	3.5%	3.4%
Digestive System Disease	3.9%	2.9%	2.0%	2.3%	2.8%
Nervous System/Sense Organ Disorders	0.8%	1.4%	4.0%	4.7%	2.6%
Fracture/Injury Upper Limb	4.7%	-	2.0%	-	1.8%
Female Reproductive Disorders	1.6%	2.9%	-	2.3%	1.6%
Coronary Artery Disease	-	0.7%	2.7%	2.3%	1.4%
Infectious & Parasitic Disease	0.8%	1.4%	1.3%	1.2%	1.2%
Diabetes	1.6%	1.4%	0.7%	-	1.0%
Kidney & Urinary Disease	-	1.4%	1.3%	1.2%	1.0%
Skin/Subcutaneous Tissue Disorders	-	1.4%	1.3%	1.2%	1.0%
Endocrine/Nutritional Disorder	0.8%	-	0.7%	2.3%	0.8%
Fracture/Injury Nervous System/Trunk	2.3%	0.7%	-	-	0.8%
Respiratory System Disorders	0.8%	0.7%	-	2.3%	0.8%
Traumatic Injury	-	0.7%	-	3.5%	0.8%
Substance Abuse-Drug	0.8%	1.4%	-	-	0.6%
Substance Abuse-Alcohol	-	0.7%	-	1.2%	0.4%
AIDS/AIDS Related Condition	-	-	0.7%	-	0.2%
Breast Disorders	0.8%	-	-	-	0.2%

Case Name: THE CITY OF AUSTIN

Carpal Tunnel	-	-	0.7%	-	0.2%
Hypertensive Disorders	-	-	0.7%	-	0.2%
Sprain/Strain Back	-	-	-	1.2%	0.2%
Total Open & Closed	100.0%	100.0%	100.0%	100.0%	100.0%

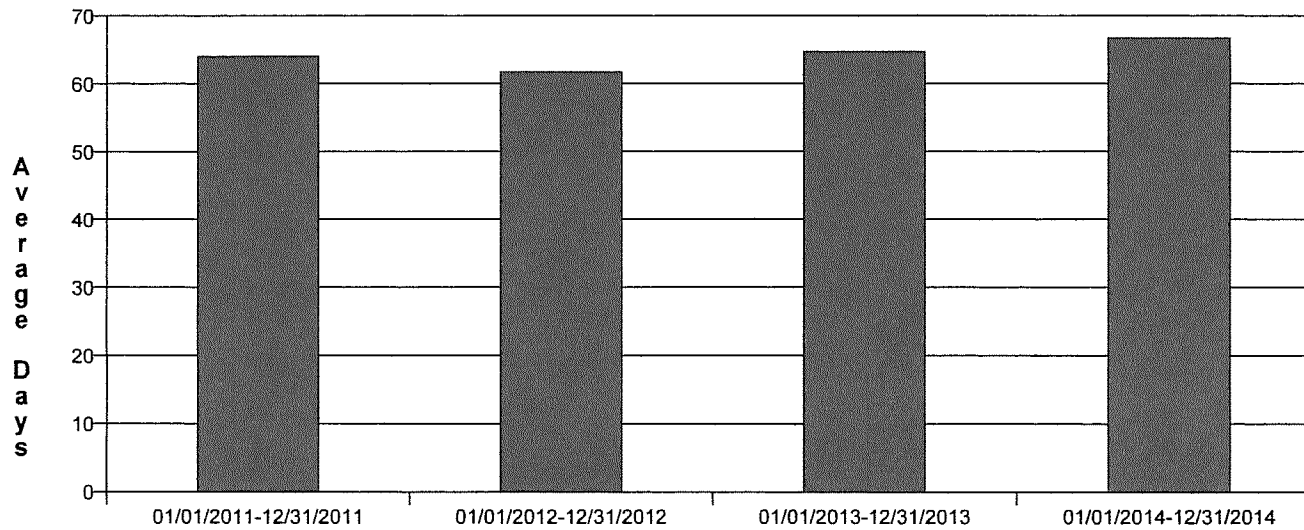


Case ID: 822680
Policy #(s): 696962G

Plan Year: January
As of Date: 12/31/2014

Case Name: THE CITY OF AUSTIN

Claim Durations



Disability Date

Plan Year Band	Number of Closed Claims	% of Count	STD Duration Days	Average Duration
01/01/2011-12/31/2011	128	25.9%	8,194	64
01/01/2012-12/31/2012	140	28.3%	8,638	62
01/01/2013-12/31/2013	149	30.1%	9,640	65
01/01/2014-12/31/2014	78	15.8%	5,202	67
Grand Total	495	100.0%	31,674	64

Note: Average claim durations are based on closed claims, measured from the date of disability through the claim termination date. Please note that data are not considered fully mature until the plan maximum duration, plus one month, has passed.

Case Name: THE CITY OF AUSTIN
Claim Durations by Diagnosis Category

Diagnosis Category	Closed Claims	% of Count	STD Duration Days	% of Duration Days	Average Duration
Normal Pregnancy	142	28.7%	6,604	20.9%	47
Musculoskeletal/Connective Disorders	87	17.6%	6,462	20.2%	74
Cesarian/Complication of Pregnancy	44	8.9%	2,176	6.9%	49
Psychiatric Disorders	27	5.5%	2,075	6.6%	77
Cancer	26	5.3%	1,839	5.8%	71
Circulatory System Disease	20	4.0%	1,607	5.1%	80
Fracture/Injury Lower Limb	18	3.6%	1,311	4.2%	73
All Other Disorders	17	3.4%	1,310	4.1%	77
Sprain/Strain Other	17	3.4%	1,117	3.5%	66
Digestive System Disease	14	2.8%	999	3.2%	71
Nervous System/Sense Organ Disorders	13	2.6%	1,037	3.3%	80
Fracture/Injury Upper Limb	9	1.8%	656	2.1%	73
Female Reproductive Disorders	8	1.6%	431	1.4%	54
Coronary Artery Disease	6	1.2%	410	1.3%	68
Diabetes	5	1.0%	422	1.3%	84
Kidney & Urinary Disease	5	1.0%	437	1.4%	87
Skin/Subcutaneous Tissue Disorders	5	1.0%	395	1.3%	79
Endocrine/Nutritional Disorder	4	0.8%	281	0.9%	70
Respiratory System Disorders	4	0.8%	305	1.0%	76
Traumatic Injury	4	0.8%	330	1.0%	83
Breast Disorders	1	0.2%	70	0.2%	70
Carpal Tunnel	1	0.2%	90	0.3%	90
Hypertensive Disorders	1	0.2%	83	0.3%	83
Sprain/Strain Back	1	0.2%	44	0.1%	44
Grand Total	495	100.0%	31,674	100.0%	64

Note: Average claim durations are based on closed claims, measured from the date of disability through the claim termination date. Please note that data are not considered fully mature until the plan maximum duration, plus one month, has passed.



Case ID: 822680
Policy #(s): 696962G

Plan Year: January
As of Date: 12/31/2014

Case Name: THE CITY OF AUSTIN

Claim Count by Age & Gender

Gender	Age Band	01/01/2011-12/31/2011	01/01/2012-12/31/2012	01/01/2013-12/31/2013	01/01/2014-12/31/2014	Total
Female	Under 30	16	19	15	3	53
	30 to 34	20	26	29	14	89
	35 to 39	17	19	15	11	62
	40 to 44	3	13	10	3	29
	45 to 49	8	5	7	5	25
	50 to 54	7	9	14	5	35
	55 to 59	6	7	12	3	28
	60 to 64	1	3	3	4	11
	65 and Over	2	-	1	-	3
Female Sub-Total		80	101	106	48	335
Male	Under 30	4	2	2	3	11
	30 to 34	6	2	1	5	14
	35 to 39	4	3	3	3	13
	40 to 44	6	7	4	1	18
	45 to 49	5	4	10	4	23
	50 to 54	7	7	10	11	35
	55 to 59	10	4	7	6	27
	60 to 64	5	8	3	2	18
	65 and Over	1	2	3	3	9
Male Sub-Total		48	39	43	38	168
Total Open & Closed		128	140	149	86	503

Case Name: THE CITY OF AUSTIN

Claim Count by Age & Gender

Gender	Age Band	01/01/2011- 12/31/2011	01/01/2012- 12/31/2012	01/01/2013- 12/31/2013	01/01/2014- 12/31/2014	Total
Female	Under 30	12.5%	13.6%	10.1%	3.5%	10.5%
	30 to 34	15.6%	18.6%	19.5%	16.3%	17.7%
	35 to 39	13.3%	13.6%	10.1%	12.8%	12.3%
	40 to 44	2.3%	9.3%	6.7%	3.5%	5.8%
	45 to 49	6.3%	3.6%	4.7%	5.8%	5.0%
	50 to 54	5.5%	6.4%	9.4%	5.8%	7.0%
	55 to 59	4.7%	5.0%	8.1%	3.5%	5.6%
	60 to 64	0.8%	2.1%	2.0%	4.7%	2.2%
	65 and Over	1.6%	-	0.7%	-	0.6%
Female Sub-Total		62.5%	72.1%	71.1%	55.8%	66.6%
Male	Under 30	3.1%	1.4%	1.3%	3.5%	2.2%
	30 to 34	4.7%	1.4%	0.7%	5.8%	2.8%
	35 to 39	3.1%	2.1%	2.0%	3.5%	2.6%
	40 to 44	4.7%	5.0%	2.7%	1.2%	3.6%
	45 to 49	3.9%	2.9%	6.7%	4.7%	4.6%
	50 to 54	5.5%	5.0%	6.7%	12.8%	7.0%
	55 to 59	7.8%	2.9%	4.7%	7.0%	5.4%
	60 to 64	3.9%	5.7%	2.0%	2.3%	3.6%
	65 and Over	0.8%	1.4%	2.0%	3.5%	1.8%
Male Sub-Total		37.5%	27.9%	28.9%	44.2%	33.4%
Total Open & Closed		100.0%	100.0%	100.0%	100.0%	100.0%

Case Name: THE CITY OF AUSTIN

Claim Durations by Age & Gender

Gender	Age Band	Count	% of Count	Duration Days	% of Duration Days	Average Duration
Female	Under 30	53	10.7%	2,506	7.9%	47
	30 to 34	89	18.0%	4,340	13.7%	49
	35 to 39	59	11.9%	3,086	9.7%	52
	40 to 44	29	5.9%	1,785	5.6%	62
	45 to 49	24	4.8%	1,728	5.5%	72
	50 to 54	33	6.7%	2,380	7.5%	72
	55 to 59	28	5.7%	2,221	7.0%	79
	60 to 64	11	2.2%	834	2.6%	76
	65 and Over	3	0.6%	222	0.7%	74
Female Sub Total		329	66.5 %	19,102	60.3 %	58
Gender	Age Band	Count	% of Count	Duration Days	% of Duration Days	Average Duration
Male	Under 30	11	2.2%	862	2.7%	78
	30 to 34	14	2.8%	1,090	3.4%	78
	35 to 39	13	2.6%	884	2.8%	68
	40 to 44	18	3.6%	1,209	3.8%	67
	45 to 49	23	4.6%	1,671	5.3%	73
	50 to 54	34	6.9%	2,532	8.0%	74
	55 to 59	26	5.3%	2,099	6.6%	81
	60 to 64	18	3.6%	1,502	4.7%	83
	65 and Over	9	1.8%	723	2.3%	80
Male Sub Total		166	33.5 %	12,572	39.7 %	76
Grand Total		495	100.0 %	31,674	100.0%	64

Note: Average claim durations are based on closed claims, measured from the date of disability through the claim termination date. Please note that data are not considered fully mature until the plan maximum duration, plus one month, has passed.



Case ID: 822680
Policy #(s): 696962G

Plan Year: January
As of Date: 12/31/2014

Case Name: THE CITY OF AUSTIN

Claim Count by Length of Service

Length of Service	01/01/2011-12/31/2011	01/01/2012-12/31/2012	01/01/2013-12/31/2013	01/01/2014-12/31/2014	Total
0 to 3 Months	4	-	1	-	5
4 to 6 Months	-	1	5	3	9
7 to 12 Months	5	6	6	3	20
1 to 2 Years	22	18	23	12	75
3 to 5 Years	44	44	37	22	147
6 to 10 Years	31	38	33	20	122
> 10 Years	22	33	44	26	125
Total Open & Closed	128	140	149	86	503

Length of Service	01/01/2011-12/31/2011	01/01/2012-12/31/2012	01/01/2013-12/31/2013	01/01/2014-12/31/2014	Total
0 to 3 Months	3.1%	-	0.7%	-	1.0%
4 to 6 Months	-	0.7%	3.4%	3.5%	1.8%
7 to 12 Months	3.9%	4.3%	4.0%	3.5%	4.0%
1 to 2 Years	17.2%	12.9%	15.4%	14.0%	14.9%
3 to 5 Years	34.4%	31.4%	24.8%	25.6%	29.2%
6 to 10 Years	24.2%	27.1%	22.1%	23.3%	24.3%
> 10 Years	17.2%	23.6%	29.5%	30.2%	24.9%
Total Open & Closed	100.0%	100.0%	100.0%	100.0%	100.0%

Case Name: THE CITY OF AUSTIN

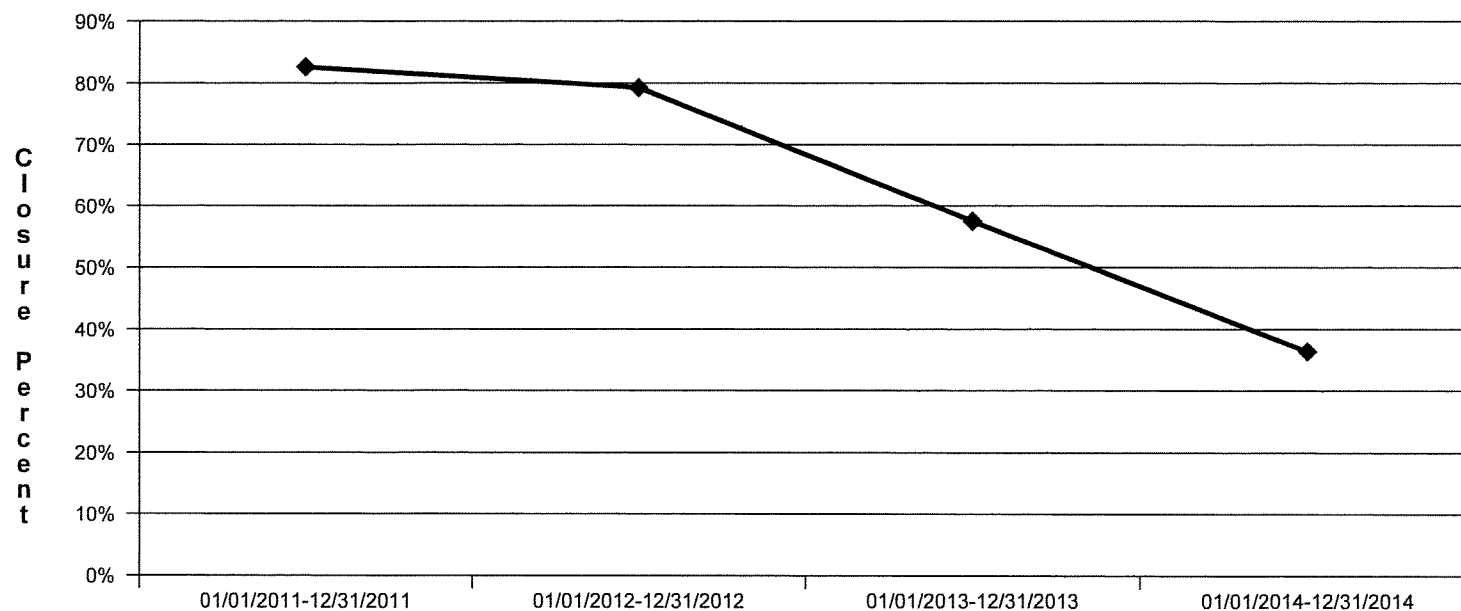
Claim Count Drill by Salary

Salary Band	01/01/2011- 12/31/2011	01/01/2012- 12/31/2012	01/01/2013- 12/31/2013	01/01/2014- 12/31/2014	Total
Under \$25,000	6	4	2	-	12
\$25,000 to \$49,999	88	97	100	46	331
\$50,000 to \$99,999	33	36	44	38	151
\$100,000 AND over	1	3	3	2	9
Total Open & Closed	128	140	149	86	503

Salary Band	01/01/2011- 12/31/2011	01/01/2012- 12/31/2012	01/01/2013- 12/31/2013	01/01/2014- 12/31/2014	Total
Under \$25,000	4.7%	2.9%	1.3%	-	2.4%
\$25,000 to \$49,999	68.8%	69.3%	67.1%	53.5%	65.8%
\$50,000 to \$99,999	25.8%	25.7%	29.5%	44.2%	30.0%
\$100,000 AND over	0.8%	2.1%	2.0%	2.3%	1.8%
Total Open & Closed	100.0%	100.0%	100.0%	100.0%	100.0%

Case Name: THE CITY OF AUSTIN

LTD Percent of Claims Closed



Disability Date

Disability Date	Number of Claims	Number of Closed Claims	Percent of Claims Closed
01/01/2011-12/31/2011	52	43	82.7%
01/01/2012-12/31/2012	29	23	79.3%
01/01/2013-12/31/2013	42	23	57.5%
01/01/2014-12/31/2014	25	8	36.4%



Case Id: 822680
Policy #(s): 696962G

Plan Year: January
As of Date: 12/31/2014

Case Name: THE CITY OF AUSTIN
Claim Count by Diagnosis Category

LTD Diagnosis Category	01/01/2011-12/31/2011	01/01/2012-12/31/2012	01/01/2013-12/31/2013	01/01/2014-12/31/2014	Total
MUSCULOSKELETAL	14	8	12	8	42
CIRCULATORY	7	5	1	3	16
CANCER	4	3	4	2	13
INJURY, POISONING	5	2	2	4	13
MENTAL DISORDER	4	3	3	1	11
NERVOUS SYSTEM	1	1	7	1	10
FRACTURES	6	1	1	0	8
DIGESTIVE SYSTEM DISORDERS	1	2	1	1	5
ENDOCRINE	3	2	0	0	5
GENITOURINARY	0	1	2	2	5
UNCLASSIFIED	1	0	2	1	4
CARPAL TUNNEL	2	0	1	0	3
DISLOCATION	2	0	1	0	3
MATERNITY	0	0	3	0	3
INFECTIOUS, PARASITIC	0	1	0	1	2
RESPIRATORY	1	0	0	1	2
AIDS	0	0	1	0	1
CONGENITAL ANOMALIES	1	0	0	0	1
SKIN DISORDERS	0	0	1	0	1
Total Open & Closed *	52	29	42	25	148

* Includes claims with status of Closed after EP, Pending after EP, or Open



Case Id: 822680

Policy #(s): 696962G

Plan Year: January

As of Date: 12/31/2014

Case Name: THE CITY OF AUSTIN

Claim Count by Diagnosis Category

LTD Diagnosis Category	01/01/2011-12/31/2011	01/01/2012-12/31/2012	01/01/2013-12/31/2013	01/01/2014-12/31/2014	Total
MUSCULOSKELETAL	26.9%	27.6%	28.6%	32.0%	28.4%
CIRCULATORY	13.5%	17.2%	2.4%	12.0%	10.8%
CANCER	7.7%	10.3%	9.5%	8.0%	8.8%
INJURY,POISONING	9.6%	6.9%	4.8%	16.0%	8.8%
MENTAL DISORDER	7.7%	10.3%	7.1%	4.0%	7.4%
NERVOUS SYSTEM	1.9%	3.4%	16.7%	4.0%	6.8%
FRACTURES	11.5%	3.4%	2.4%	0.0%	5.4%
DIGESTIVE SYSTEM DISORDERS	1.9%	6.9%	2.4%	4.0%	3.4%
ENDOCRINE	5.8%	6.9%	0.0%	0.0%	3.4%
GENITOURINARY	0.0%	3.4%	4.8%	8.0%	3.4%
UNCLASSIFIED	1.9%	0.0%	4.8%	4.0%	2.7%
CARPAL TUNNEL	3.8%	0.0%	2.4%	0.0%	2.0%
DISLOCATION	3.8%	0.0%	2.4%	0.0%	2.0%
MATERNITY	0.0%	0.0%	7.1%	0.0%	2.0%
INFECTIOUS,PARASITIC	0.0%	3.4%	0.0%	4.0%	1.4%
RESPIRATORY	1.9%	0.0%	0.0%	4.0%	1.4%
AIDS	0.0%	0.0%	2.4%	0.0%	0.7%
CONGENITAL ANOMALIES	1.9%	0.0%	0.0%	0.0%	0.7%
SKIN DISORDERS	0.0%	0.0%	2.4%	0.0%	0.7%
Total Open & Closed *	100.0%	100.0%	100.0%	100.0%	100.0%

* Includes claims with status of Closed after EP, Pending after EP, or Open



Case Id: 822680

Policy #(s): 696962G

Plan Year: January

As of Date: 12/31/2014

Case Name: THE CITY OF AUSTIN

Paid Benefits & Reserves by Diagnosis Category

LTD Diagnosis Category	Claims Dollars Paid	Reserves Amounts	Incurred Claim Amount
AIDS	\$14,973	\$0	\$14,973
CANCER	\$301,793	\$114,325	\$416,118
CARPAL TUNNEL	\$84,087	\$21,758	\$105,845
CIRCULATORY	\$211,216	\$181,665	\$392,882
CONGENITAL ANOMALIES	\$19,048	\$0	\$19,048
DIGESTIVE SYSTEM DISORDERS	\$25,388	\$54,704	\$80,092
DISLOCATION	\$2,775	\$0	\$2,775
ENDOCRINE	\$69,605	\$25,220	\$94,825
FRACTURES	\$112,979	\$67,955	\$180,934
GENITOURINARY	\$27,413	\$48,058	\$75,471
INFECTIOUS, PARASITIC	\$15,247	\$31,017	\$46,264
INJURY, POISONING	\$131,785	\$328,967	\$460,753
MATERNITY	\$15,994	\$0	\$15,994
MENTAL DISORDER	\$237,916	\$43,236	\$281,152
MUSCULOSKELETAL	\$417,959	\$662,059	\$1,080,017
NERVOUS SYSTEM	\$105,846	\$195,655	\$301,501
RESPIRATORY	\$29,629	\$193,879	\$223,508
SKIN DISORDERS	\$9,429	\$46,706	\$56,135
UNCLASSIFIED	\$121,334	\$0	\$121,334
Total Open & Closed *	\$1,954,417	\$2,015,204	\$3,969,621

* Includes claims with status of Closed after EP, Pending after EP, or Open



Case Id: 822680
Policy #(s): 696962G

Plan Year: January
As of Date: 12/31/2014

Case Name: THE CITY OF AUSTIN

Percent of Paid Benefits & Reserves by Diagnosis Category

LTD Diagnosis Category	Claims Dollars Paid	Reserves Amounts
AIDS	0.8%	0.0%
CANCER	15.4%	5.7%
CARPAL TUNNEL	4.3%	1.1%
CIRCULATORY	10.8%	9.0%
CONGENITAL ANOMALIES	1.0%	0.0%
DIGESTIVE SYSTEM DISORDERS	1.3%	2.7%
DISLOCATION	0.1%	0.0%
ENDOCRINE	3.6%	1.3%
FRACTURES	5.8%	3.4%
GENITOURINARY	1.4%	2.4%
INFECTIOUS, PARASITIC	0.8%	1.5%
INJURY, POISONING	6.7%	16.3%
MATERNITY	0.8%	0.0%
MENTAL DISORDER	12.2%	2.1%
MUSCULOSKELETAL	21.4%	32.9%
NERVOUS SYSTEM	5.4%	9.7%
RESPIRATORY	1.5%	9.6%
SKIN DISORDERS	0.5%	2.3%
UNCLASSIFIED	6.2%	0.0%
Total Open & Closed *	100.0%	100.0%

* Includes claims with status of Closed after EP, Pending after EP, or Open

Case Name: THE CITY OF AUSTIN

Claim Count by Age & Gender

Gender	Age Band	01/01/2011- 12/31/2011	01/01/2012- 12/31/2012	01/01/2013- 12/31/2013	01/01/2014- 12/31/2014	Total
Female	Under 30	0	0	1	0	1
	30 to 34	0	1	1	1	3
	35 to 39	3	0	2	0	5
	40 to 44	1	1	3	0	5
	45 to 49	3	0	4	1	8
	50 to 54	3	5	5	1	14
	55 to 59	4	3	4	0	11
	60 to 64	2	0	3	2	7
	65 and Over	1	0	1	0	2
	Female Sub-Total	17	10	24	5	56
Male	Under 30	2	0	1	1	4
	30 to 34	3	0	1	3	7
	35 to 39	4	2	1	1	8
	40 to 44	3	3	1	1	8
	45 to 49	4	1	3	1	9
	50 to 54	3	3	6	5	17
	55 to 59	9	4	3	5	21
	60 to 64	6	6	0	2	14
	65 and Over	1	0	2	1	4
	Male Sub-Total	35	19	18	20	92
Total Open & Closed *		52	29	42	25	148

* Includes claims with status of Closed after EP, Pending after EP, or Open

Case Name: THE CITY OF AUSTIN

Claim Count by Age & Gender

Gender	Age Band	01/01/2011- 12/31/2011	01/01/2012- 12/31/2012	01/01/2013- 12/31/2013	01/01/2014- 12/31/2014	Total
Female	Under 30	0.0%	0.0%	2.4%	0.0%	0.7%
	30 to 34	0.0%	3.4%	2.4%	4.0%	2.0%
	35 to 39	5.8%	0.0%	4.8%	0.0%	3.4%
	40 to 44	1.9%	3.4%	7.1%	0.0%	3.4%
	45 to 49	5.8%	0.0%	9.5%	4.0%	5.4%
	50 to 54	5.8%	17.2%	11.9%	4.0%	9.5%
	55 to 59	7.7%	10.3%	9.5%	0.0%	7.4%
	60 to 64	3.8%	0.0%	7.1%	8.0%	4.7%
	65 and Over	1.9%	0.0%	2.4%	0.0%	1.4%
	Female Sub-Total	32.7%	34.5%	57.1%	20.0%	37.8%
Male	Under 30	3.8%	0.0%	2.4%	4.0%	2.7%
	30 to 34	5.8%	0.0%	2.4%	12.0%	4.7%
	35 to 39	7.7%	6.9%	2.4%	4.0%	5.4%
	40 to 44	5.8%	10.3%	2.4%	4.0%	5.4%
	45 to 49	7.7%	3.4%	7.1%	4.0%	6.1%
	50 to 54	5.8%	10.3%	14.3%	20.0%	11.5%
	55 to 59	17.3%	13.8%	7.1%	20.0%	14.2%
	60 to 64	11.5%	20.7%	0.0%	8.0%	9.5%
	65 and Over	1.9%	0.0%	4.8%	4.0%	2.7%
	Male Sub-Total	67.3%	65.5%	42.9%	80.0%	62.2%
Total Open & Closed *		100.0%	100.0%	100.0%	100.0%	100.0%

* Includes claims with status of Closed after EP, Pending after EP, or Open



Case Id: 822680
Policy #(s): 696962G

Plan Year: January
As of Date: 12/31/2014

Case Name: THE CITY OF AUSTIN

Claim Count by Salary

Salary Band	01/01/2011-12/31/2011	01/01/2012-12/31/2012	01/01/2013-12/31/2013	01/01/2014-12/31/2014	Total
Under \$25,000	2	1	2	0	5
\$25,000 to \$49,999	34	25	27	14	100
\$50,000 to \$99,999	16	3	13	11	43
\$100,000 AND over	0	0	0	0	0
Total Open & Closed *	52	29	42	25	148

Salary Band	01/01/2011-12/31/2011	01/01/2012-12/31/2012	01/01/2013-12/31/2013	01/01/2014-12/31/2014	Total
Under \$25,000	3.8%	3.4%	4.8%	0.0%	3.4%
\$25,000 to \$49,999	65.4%	86.2%	64.3%	56.0%	67.6%
\$50,000 to \$99,999	30.8%	10.3%	31.0%	44.0%	29.1%
\$100,000 AND over	0.0%	0.0%	0.0%	0.0%	0.0%
Total Open & Closed *	100.0%	100.0%	100.0%	100.0%	100.0%

* Includes claims with status of Closed after EP, Pending after EP, or Open

Case Name: THE CITY OF AUSTIN

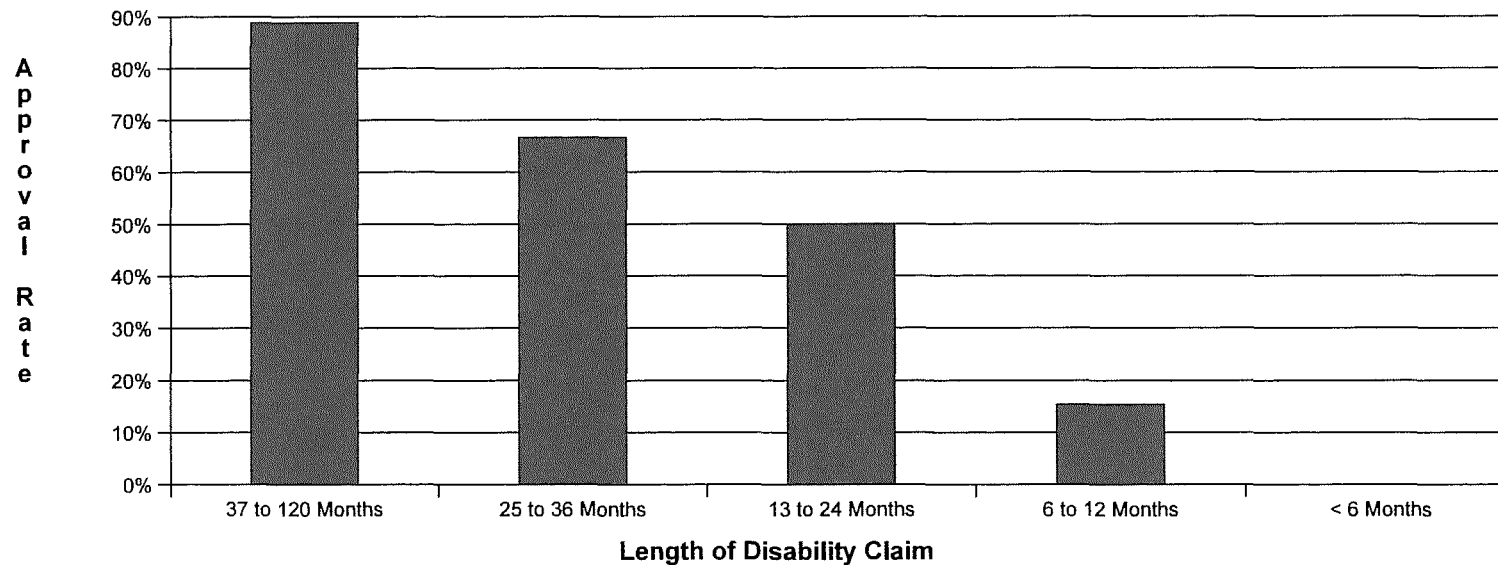
Claim Count by Length of Service

Length of Service	01/01/2011-12/31/2011	01/01/2012-12/31/2012	01/01/2013-12/31/2013	01/01/2014-12/31/2014	Total
4 to 6 Months	0	0	2	0	2
7 to 12 Months	4	0	0	1	5
1 to 2 Years	5	2	4	1	12
3 to 5 Years	16	9	9	7	41
6 to 10 Years	11	9	14	6	40
> 10 Years	16	9	13	10	48
Total Open & Closed *	52	29	42	25	148

Length of Service	01/01/2011-12/31/2011	01/01/2012-12/31/2012	01/01/2013-12/31/2013	01/01/2014-12/31/2014	Total
4 to 6 Months	0.0%	0.0%	4.8%	0.0%	1.4%
7 to 12 Months	7.7%	0.0%	0.0%	4.0%	3.4%
1 to 2 Years	9.6%	6.9%	9.5%	4.0%	8.1%
3 to 5 Years	30.8%	31.0%	21.4%	28.0%	27.7%
6 to 10 Years	21.2%	31.0%	33.3%	24.0%	27.0%
> 10 Years	30.8%	31.0%	31.0%	40.0%	32.4%
Total Open & Closed *	100.0%	100.0%	100.0%	100.0%	100.0%

* Includes claims with status of Closed after EP, Pending after EP, or Open

Case Name: THE CITY OF AUSTIN
SS Approval Rates



	37 to 120 Months	25 to 36 Months	13 to 24 Months	6 to 12 Months	< 6 Months	Total
Total Approval	8	4	9	2	0	23
Total Eligible	9	6	18	13	4	50
Total Ineligible	0	0	1	0	0	1
Total Open (Eligible + Ineligible)	9	6	19	13	4	51
Approval Rate (Approvals / Eligible)	88.9%	66.7%	50.0%	15.4%	0.0%	46.0%

696962
City of Austin
Premium & Paid Claims *

As of:	2014	2014	2014	2014	4th Qtr only	2nd Qtr 2014	Live/Volume
	1/1/14-12/31/14	1/1/14-9/30/14	1/1/14-6/30/14	1/1/14-3/31/14			
STD*							
Premium	\$596,542	\$443,983	\$294,034	\$145,444	\$152,559		11,813 Lives
Claims	\$317,805	\$232,965	\$154,068	\$77,916	\$84,840		
LR	53%	52%	52%	54%	56%		
* LTD							
Premium	\$1,622,124	\$1,207,901	\$797,933	\$397,145	\$414,223		8,540 Lives
Claims	\$157,821	\$73,952	\$20,261	\$157,821	\$83,869		
Reserves	\$949,967	\$782,646	\$508,134	\$949,967	\$167,321		
LR	68%	71%	66%	279%	61%		
TOTAL PREMIUM	\$2,218,666	\$1,651,884	\$1,091,967	\$542,589	\$566,782		
TOTAL CLAIMS	\$1,425,593	\$1,089,563	\$682,463	\$1,185,704	\$336,030		
LOSS RATIO	64%	66%	62%	219%	59%		

*NOTE: If claims in any period are open, incurred claims in that period are subject to change.

696962
City of Austin
Premium & Paid Claims *

As of:	2013	2013	2013	2013	4th Qtr only	4th Qtr 2013	Live/Volume
	1/1/13-12/31/13	1/1/13-9/30/13	1/1/13-6/30/13	1/1/13-3/31/13			
STD*							
Premium	\$567,325	\$423,053	\$280,862	\$140,125	\$144,272		11,403 Lives
Claims	\$366,123	\$283,639	\$183,522	\$43,569	\$82,484		
LR	65%	67%	65%	31%	57%		
* LTD							
Premium	\$1,547,151	\$1,153,162	\$766,093	\$382,278	\$393,989		8,452 Lives
Claims	\$179,888	\$100,823	\$21,885	\$0	\$79,065		
Reserves	\$860,940	\$465,922	\$299,971	\$0	\$395,018		
LR	67%	49%	42%	0%	120%		
TOTAL PREMIUM	\$2,114,476	\$1,576,215	\$1,046,954	\$522,403	\$538,261		
TOTAL CLAIMS	\$1,406,951	\$850,384	\$505,377	\$43,569	\$556,567		
LOSS RATIO	67%	54%	48%	8%	103%		

*NOTE: If claims in any period are open, incurred claims in that period are subject to change.

696962
City of Austin
Premium & Paid Claims *

As of:

2012	2012	2012	2012	4th Qtr only
1/1/12-12/31/12	1/1/12-9/30/12	1/1/12-6/30/12	1/1/12-03/31/12	

4th Qtr 2012 Live/Volume

STD*

Premium
Claims
LR

\$545,331	\$405,886	\$269,235	\$134,897	\$139,445
\$329,381	\$257,278	\$167,437	\$78,095	\$72,103
60%	63%	62%	58%	52%
\$1,464,872	\$1,089,627	\$724,424	\$361,495	\$375,245
\$102,733	\$46,608	\$9,455	\$0	\$56,125
\$480,053	\$346,992	\$214,884	\$0	\$133,061
40%	36%	31%	0%	50%
\$2,010,203	\$1,495,513	\$993,659	\$496,392	\$514,690
\$912,168	\$650,878	\$391,776	\$78,095	\$261,289
45%	44%	39%	16%	51%

11,146 Lives

*

LTD

Premium
Claims
Reserves
LR

8,249 Lives

TOTAL PREMIUM
TOTAL CLAIMS
LOSS RATIO

*NOTE: If claims in any period are open, incurred claims in that period are subject to change.

696962
City of Austin
Premium & Paid Claims *

As of:	2011	2011	2011	2011	4th Qtr only	4th Qtr 2011	Live/Volume
	1/1/11-12/31/11	1/1/11-9/30/11	1/1/11-6/30/11	1/1/11-03/31/11			
STD*							
Premium	\$528,950	\$394,775	\$263,242	\$131,389	\$134,175		11,158 Lives
Claims	\$264,840	\$185,642	\$104,126	\$28,900	\$79,198		
LR	50%	47%	40%	22%	59%		
* LTD							
Premium	\$1,388,087	\$1,032,453	\$686,578	\$342,344	\$355,634		8,131 Lives
Claims	\$370,303	\$87,417	\$13,958	\$0	\$282,886		
Reserves	\$1,608,690	\$981,741	\$316,596	\$0	\$626,949		
LR	143%	104%	48%	0%	256%		
TOTAL PREMIUM	\$1,917,037	\$1,427,228	\$949,820	\$473,733	\$489,809		
TOTAL CLAIMS	\$2,243,833	\$1,254,800	\$434,680	\$28,900	\$989,033		
LOSS RATIO	117%	88%	46%	6%	202%		

*NOTE: If claims in any period are open, incurred claims in that period are subject to change.



Case ID: 822680
Policy #(s): 696962G

Plan Year: January
As of Date: 12/31/2014

Case Name: THE CITY OF AUSTIN
STD Claim Processing Closures and Denials

	01/01/2011- 12/31/2011	01/01/2012- 12/31/2012	01/01/2013- 12/31/2013	01/01/2014- 12/31/2014	Total Count by Reason	Denial Rate Distribution
DENIED - OTHER	1	-	2	-	3	9.1%
LACK OF ATTENDING PHYSICIAN INFORMATION	6	2	6	1	15	45.5%
LACK OF EMPLOYEE INFORMATION	1	-	-	1	2	6.1%
NOT DISABLED	-	1	2	-	3	9.1%
NOT DISABLED BEYOND ELIMINATION PERIOD W/STD	1	1	2	-	4	12.1%
RETURNED TO WORK BEFORE BENEFIT EFFECTIVE DATE	-	2	-	-	2	6.1%
WORK RELATED INJURY - NEED DENIAL LETTER FROM W/C	1	-	1	2	4	12.1%
	-	-	-	-	-	-
Total Processing Closures & Denials	10	6	13	4	33	
Total Claims	138	146	162	90	536	
Denial Rate	7.2%	4.1%	8.0%	4.4%	6.2%	

Note: Plan change Adjustments are Not included in this report.

The City of Austin
YTD STD Claims
by Dept./Diagnosis

Loss Unit Number And Name	Pregnancy	Musculoskeletal	Accidental Injury	Behavioral Health	Circulatory	Neoplasms	Genitourinary	Digestive	Ill Defined Conditions	Nervous Sys/Sense Org	Endocrine/Metabolic	Infectious/Parasitic	Skin/Subc Tissue	Blood & Forming Organs	Respiratory	Grand Total	OPEN
019 11-AUSTIN ENERGY (AE)	27	8	4	5	5	4	4	4	2	1	2		1	1	3	71	
016 87-POLICE (APD)	29		5	4	1	3	1	1	3	2						49	
033 86-PARKS & RECREATION (PR)	7	6	10	7	4	1		1		1	2	1	1			41	
017 91-HEALTH & HUMAN SERVICES (HHS OR HHSD)	26	5	2			1	1		1		1		1			38	
014 81-AVIATION	7	11	5		4	1		1	1	3		1				34	1
004 22-23 AUSTIN WATER UTILITY (AWU)	8	7	5	4	2	1	1			1						29	1
026 60-PUBLIC WORKS (PW)	4	7	4	1	4	1	1		2			1	1			26	
020 15-AUSTIN RES RECOV (SOLID WASTE) (ARR)	3	7	7	2	1	1	2	2								25	2
030 74-FINANCIAL SERVICES (FASD)	11	1	2		1	4				1				1	1	22	1
018 93-EMERGENCY MEDICAL SERVICES (EMS)	9	7		2				2		1	1					22	1
015 85-LIBRARY (APL)	7	6	1	1	2	1				1	1					20	
034 92-CONVENTION CENTER (ACCD)	5	4	1	1	2	2	1	1								17	
023 34-WATERSHED PROTECTION (WVP OR WPDR)	5	1	1		1	2	1	1		1						13	
009 46-MUNICIPAL COURT (MC)	7	2		2	1								1			13	
027 69-PLANNING & DEVELOPMENT REVIEW (PDR)	7					1		1				2		1		12	1
032 83-FIRE	3	2	3	1							1					10	1
028 70-FLEET SERVICES (FLEET)		2	4				1				1					8	
022 24-AUSTIN TRANSPORTATION (AT)	1	5			1	1										8	
024 56-COMMUNICATION & TECH MGMNT (CTM)	6	2														8	
025 58-HUMAN RESOURCES (HR OR HRD)	3	1		1		1										6	
010 57-LAW	2				1							1				4	
029 72-NEIGHBORHOOD HOUSING & COMM DEV (NHCD)	2					1						1				4	
012 71-OFFICE OF THE CITY AUDITOR (AUDITOR)	2			1												3	
035 97-CONTRACT AND LAND MANAGEMENT (CLMD)	1	2														3	
013 79-SMALL & MINORITY BUS RESOURCES (SMBR)	2					1										3	
037 80-BUILDING SERVICES DEPARTMENT		1					1			1						3	
009 55-ECONOMIC DEVELOPMENT (ED)	1		1													2	
006 44-MANAGEMENT SERVICES (CMO OR MS)	1		1													2	
005 41-42 MAYOR & COUNCIL(M&C)/GOV RELATIONS	2															2	
038 90-ANIMAL SERVICES	1		1													2	
007 45-CITY CLERK (CC)	1															1	
001 1-ERS-ACTIVES		1														1	
021 16-AUSTIN CODE DEPARTMENT										1						1	
Grand Total	190	88	57	32	30	27	14	14	9	14	9	7	5	3	4	503	8

The City of Austin
2014 STD Claims
by Dept./Diagnosis

Loss Unit Number And Name	Pregnancy	Musculoskeletal	Accidental Injury	Behavioral Health	Circulatory	Neoplasms	Genitourinary	Digestive	Nervous Sys/Sense Org	Endocrine/Metabolic	Infectious/Parasitic	Skin/Subc Tissue	pod & Forming Org	Respiratory	Grand Total	OPEN
019 11-AUSTIN ENERGY (AE)	4	5	1	2		1	1	1	1				1	2	19	
014 81-AVIATION	2	2			1				1		1				7	1
020 15-AUSTIN RES RECOV (SOLID WASTE) (ARR)	1	1	3		1										6	2
023 34-WATERSHED PROTECTION (WP OR WPDR)	1		1		1	1	1	1							6	
004 22-23 AUSTIN WATER UTILITY (AWU)	5	1													6	1
028 60-PUBLIC WORKS (PW)		3				1						1			5	
033 86-PARKS & RECREATION (PR)	1	2		1		1									5	
017 91-HEALTH & HUMAN SERVICES (HHS OR HHSD)	4									1					5	
034 92-CONVENTION CENTER (ACCD)	1	2	1												4	
016 67-POLICE (APD)			1	1		1			1						4	
032 83-FIRE	1			1						1					3	1
018 93-EMERGENCY MEDICAL SERVICES (EMS)	2	1													3	1
008 46-MUNICIPAL COURT (MC)	1				1										2	
013 79-SMALL & MINORITY BUS RESOURCES (SMBR)						1									1	
030 74-FINANCIAL SERVICES (FASD)	1														1	1
029 72-NEIGHBORHOOD HOUSING & COMM DEV(NHCD)						1									1	
025 58-HUMAN RESOURCES (HR OR HRD)				1											1	
035 97-CONTRACT AND LAND MANAGEMENT (CLMD)		1													1	
037 80-BUILDING SERVICES DEPARTMENT							1								1	
021 16-AUSTIN CODE DEPARTMENT									1						1	
007 45-CITY CLERK (CC)	1														1	
027 69-PLANNING & DEVELOPMENT REVIEW (PDR)						1									1	1
024 56-COMMUNICATION & TECH MGMNT. (CTM)		1													1	
022 24-AUSTIN TRANSPORTATION (AT)					1										1	
Grand Total	25	19	7	6	5	8	3	2	4	2	1	1	1	2	86	8

The City of Austin
2013 STD Claims
by Dept./Diagnosis

Loss Unit Number And Name	Pregnancy	Musculoskeletal	Accidental Injury	Behavioral Health	Circulatory	Neoplasms	Genitourinary	Digestive	Ill Defined Conditions	Nervous Sys/Sense Org	Endocrine/Metabolic	Infectious/Parasitic	Skin/Subc Tissue	Grand Total	Total Open
019 11-AUSTIN ENERGY (AE)	10	1		1	1	1	1	1						16	
016 87-POLICE (APD)	7		2	1	1	2			2					15	
033 86-PARKS & RECREATION (PR)	4	2	2	3	1					1			1	14	
015 85-LIBRARY (APL)	4	3	1		2	1				1	1			13	
014 81-AVIATION	2	2	2		2	1			1	1				11	
004 22-23 AUSTIN WATER UTILITY (AWU)	1	3	2	1	1					1				9	
018 93-EMERGENCY MEDICAL SERVICES (EMS)	2	3						1		1	1			8	
017 91-HEALTH & HUMAN SERVICES (HHS OR HHSD)	4	1	1				1							7	
008 46-MUNICIPAL COURT (MC)	4			1									1	6	
027 69-PLANNING & DEVELOPMENT REVIEW (PDR)	3							1				2		6	
030 74-FINANCIAL SERVICES (FASD)	3					2								5	
028 70-FLEET SERVICES (FLEET)		1	4											5	
024 56-COMMUNICATION & TECH MGMNT. (CTM)	3	1												4	
026 60-PUBLIC WORKS (PW)		1	2									1		4	
023 34-WATERSHED PROTECTION (WP OR WPDR)	2									1				3	
025 58-HUMAN RESOURCES (HR OR HRD)	2					1								3	
020 15-AUSTIN RES RECOV (SOLID WASTE) (ARR)		1		1		1								3	
032 83-FIRE	1	1	1											3	
029 72-NEIGHBORHOOD HOUSING & COMM DEV(NHCD)	2													2	
038 90-ANIMAL SERVICES	1		1											2	
022 24-AUSTIN TRANSPORTATION (AT)		2												2	
037 80-BUILDING SERVICES DEPARTMENT		1								1				2	
001 1-ERS-ACTIVES		1												1	
034 92-CONVENTION CENTER (ACCD)					1									1	
013 79-SMALL & MINORITY BUS RESOURCES (SMBR)	1													1	
010 57-LAW	1													1	
005 41-42 MAYOR & COUNCIL(M&C)/GOV RELATIONS	1													1	
006 44-MANAGEMENT SERVICES (CMO OR MS)	1													1	
Grand Total	59	24	18	8	9	9	2	3	3	7	2	3	2	149	0

The City of Austin
2012 STD Claims
by Dept./Diagnosis

Loss Unit Number And Name	Pregnancy	Musculoskeletal	Accidental Injury	Behavioral Health	Circulatory	Neoplasms	Genitourinary	Digestive	Ill Defined Conditions	Endocrine/Metabolic	Infectious/Parasitic	Nervous Sys/Sense Org	Respiratory	Skin/Subc Tissue	Grand Total	TOTAL OPEN
016 87 - POLICE DEPT	13		1	1	1		1	1	1						19	
019 11 - AUSTIN ENERGY	6	1		2	2		2	1	2				1	1	18	
017 91 - HEALTH/HUMAN SERVICES	11	3	1											1	16	
033 86 - PARKS & RECREATION (PARD)	1	1	5	1	1										12	
026 60 - PUBLIC WORKS	1	3	1		4		1		1	2	1				11	
030 74 - FINANCIAL SERVICES/PURCHASING	5		2			1						1			9	
014 81 - AVIATION	3	3	1					1				1			9	
034 92 - CONVENTION CENTER	3	2				1	1								7	
015 85 - LIBRARY	3	3													6	
004 22.23 WASTE-WASTEWATER	2	1	1	1	1										6	
018 93 - EMS	3	1		2											6	
020 15 - AUSTIN RESOURCE RECOVERY DEPT	2		1					1							4	
006 46 - MUNICIPAL	1	2													3	
022 24 - AUSTIN TRANSPORTATION	1	1				1									3	
024 56 - COMM & TECH MGMT. (INFO SYSTEMS)	3														3	
012 71 - OFFICE OF THE CITY AUDITOR	1			1											2	
028 70 - FASD - FLEET		1					1								2	
029 72 - NEIGHBORHOOD HOUSING & COMM DEVEL											1				1	
032 83 - FIRE DEPT			1												1	
023 34 - DEVELOPMENT REV & INSPECTION	1														1	
006 44 - MGMT SERVICES/CITY MGR OFFICE			1												1	
Grand Total	60	22	15	8	9	3	6	4	4	2	2	2	1	2	140	0

The City of Austin
2011 STD Claims
by Dept./Diagnosis

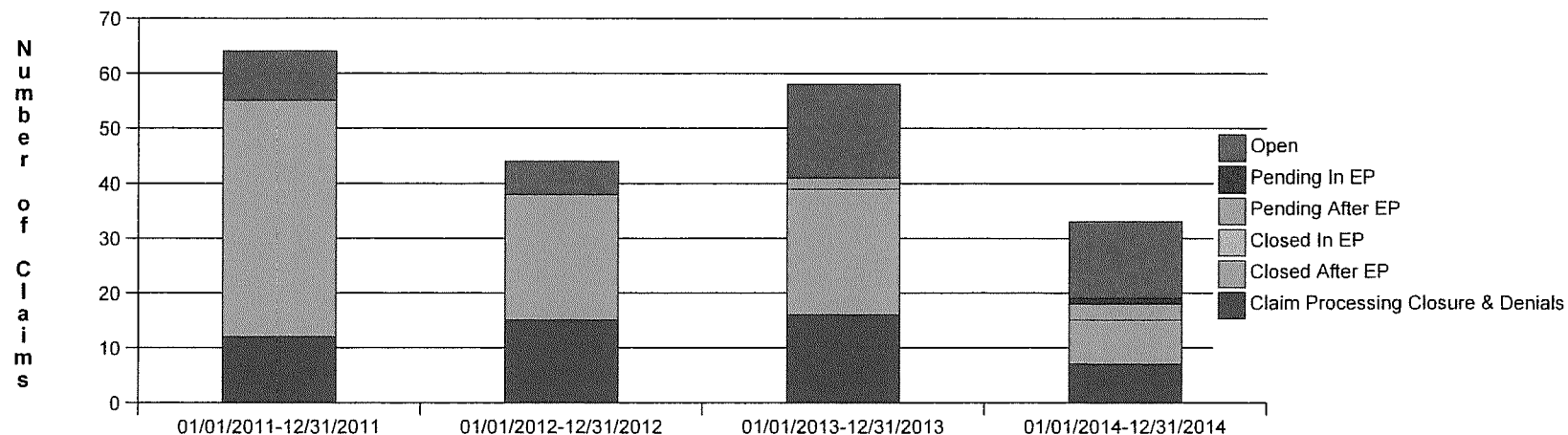
Loss Unit Number And Name	Pregnancy	Musculoskeletal	Accidental Injury	Behavioral Health	Circulatory	Neoplasms	Genitourinary	Digestive	Ill Defined Conditions	Endocrine/Metabolic	Infectious/Parasitic	Nervous Sys/Sense Org	Respiratory	Blood & Forming Organs	Grand Total
019 11 - AUSTIN ENERGY	7	1	3		2	2		1		2					18
016 87 - POLICE DEPT	9		1	1								1			12
020 15 - AUSTIN RESOURCE RECOVERY DEPT		5	3	1			2	1							12
033 86 - PARKS & RECREATION (PARD)	1	1	3	2	2			1							10
017 91 - HEALTH/HUMAN SERVICES	7	1				1			1						10
004 22-23 WASTE-WASTEWATER		2	2	2		1	1								8
014 81 - AVIATION		4	2		1										7
030 74 - FINANCIAL SERVICES/PURCHASING	2	1			1	1							1	1	7
026 60 - PUBLIC WORKS	3		1	1					1						6
018 93 - EMS	2	2						1							5
034 92 - CONVENTION CENTER	1			1	1	1		1							5
027 89 - NPZ NEIGHBORHOOD PLANNING & ZONING	4													1	5
032 83 - FIRE DEPT	1	1	1												3
023 34 - DEVELOPMENT REV & INSPECTION	1	1				1									3
009 55 - ECONOMIC DEV	1		1												2
025 58 - HUMAN RESOURCES	1	1													2
022 24 - AUSTIN TRANSPORTATION	1	2													2
008 46 - MUNICIPAL	1			1											2
010 57 - LAW	1										1				2
035 97 - CONTRACT LAND & MGMT	1	1													2
013 79 - SMALL & MINORITY BUS RESOURCES	1														1
012 71 - OFFICE OF THE CITY AUDITOR	1														1
015 85 - LIBRARY				1											1
005 41-42 MAYOR & COUNCIL/GOV RELATIONS	1														1
028 70 - FASD - FLEET										1					1
Grand Total	46	23	17	10	7	7	3	5	2	3	1	1	1	2	128



Case Id: 822680
Policy #(s): 696962G

Plan Year: January
As of Date: 12/31/2014

Case Name: THE CITY OF AUSTIN
LTD Claim Count Distribution



Disability Date

Current Claim Status	01/01/2011-12/31/2011	01/01/2012-12/31/2012	01/01/2013-12/31/2013	01/01/2014-12/31/2014	Total
Open	9	6	17	14	46
Pending After EP	0	0	2	3	5
Pending In EP	0	0	0	1	1
Claim Processing Closure & Denials	12	15	16	7	50
Closed After EP	43	23	23	8	97
Total Submitted	64	44	58	33	199
Total Open & Closed *	52	29	42	25	148

* Includes claims with a status of closed after EP, Pending after EP, or Open

Case Name: THE CITY OF AUSTIN
Claim Count by Policy Number and Loss Unit

Loss Unit	01/01/2011- 12/31/2011	01/01/2012- 12/31/2012	01/01/2013- 12/31/2013	01/01/2014- 12/31/2014	Total
001 1-ERS-ACTIVES	1	0	1	0	2
004 22-23 AUSTIN WATER UTILITY (AWU)	2	1	4	1	8
007 45-CITY CLERK (CC)	0	0	1	0	1
008 46-MUNICIPAL COURT (MC)	1	0	3	0	4
010 57-LAW	0	1	0	0	1
014 81-AVIATION	6	4	4	3	17
015 85-LIBRARY (APL)	0	1	4	0	5
016 87-POLICE (APD)	2	1	3	1	7
017 91-HEALTH & HUMAN SERVICES (HHS OR HHSD)	1	2	2	0	5
018 93-EMERGENCY MEDICAL SERVICES (EMS)	2	0	1	1	4
019 11-AUSTIN ENERGY (AE)	8	3	3	4	18
020 15-AUSTIN RES RECOV (SOLID WASTE) (ARR)	6	2	2	1	11
022 24-AUSTIN TRANSPORTATION (AT)	2	2	0	1	5
023 34-WATERSHED PROTECTION (WP OR WPDR)	1	0	2	5	8
024 56-COMMUNICATION & TECH MGMNT. (CTM)	0	0	0	1	1
025 58-HUMAN RESOURCES (HR OR HRD)	0	0	1	1	2
026 60-PUBLIC WORKS (PW)	6	7	3	4	20
027 69-PLANNING & DEVELOPMENT REVIEW (PDR)	1	0	0	0	1
028 70-FLEET SERVICES (FLEET)	1	1	1	0	3
029 72-NEIGHBORHOOD HOUSING & COMM DEV(NHCD)	0	0	0	0	0
030 74-FINANCIAL SERVICES (FASD)	4	2	1	0	7



Case Id: 822680

Policy #(s): 696962G

Plan Year: January

As of Date: 12/31/2014

Case Name: THE CITY OF AUSTIN

Loss Unit	01/01/2011- 12/31/2011	01/01/2012- 12/31/2012	01/01/2013- 12/31/2013	01/01/2014- 12/31/2014	Total
032 83-FIRE	2	0	1	0	3
033 86-PARKS & RECREATION (PR)	4	2	3	0	9
034 92-CONVENTION CENTER (ACCD)	1	0	1	2	4
035 97-CONTRACT AND LAND MANAGEMENT (CLMD)	1	0	0	0	1
037 80-BUILDING SERVICES DEPARTMENT	0	0	1	0	1
Total Open & Closed *	52	29	42	25	148

Case Name: THE CITY OF AUSTIN

Loss Unit	01/01/2011- 12/31/2011	01/01/2012- 12/31/2012	01/01/2013- 12/31/2013	01/01/2014- 12/31/2014	Total
001 1-ERS-ACTIVES	1.9%	0.0%	2.4%	0.0%	1.4%
004 22-23 AUSTIN WATER UTILITY (AWU)	3.8%	3.4%	9.5%	4.0%	5.4%
007 45-CITY CLERK (CC)	0.0%	0.0%	2.4%	0.0%	0.7%
008 46-MUNICIPAL COURT (MC)	1.9%	0.0%	7.1%	0.0%	2.7%
010 57-LAW	0.0%	3.4%	0.0%	0.0%	0.7%
014 81-AVIATION	11.5%	13.8%	9.5%	12.0%	11.5%
015 85-LIBRARY (APL)	0.0%	3.4%	9.5%	0.0%	3.4%
016 87-POLICE (APD)	3.8%	3.4%	7.1%	4.0%	4.7%
017 91-HEALTH & HUMAN SERVICES (HHS OR HHSD)	1.9%	6.9%	4.8%	0.0%	3.4%
018 93-EMERGENCY MEDICAL SERVICES (EMS)	3.8%	0.0%	2.4%	4.0%	2.7%
019 11-AUSTIN ENERGY (AE)	15.4%	10.3%	7.1%	16.0%	12.2%
020 15-AUSTIN RES RECOV (SOLID WASTE) (ARR)	11.5%	6.9%	4.8%	4.0%	7.4%
022 24-AUSTIN TRANSPORTATION (AT)	3.8%	6.9%	0.0%	4.0%	3.4%
023 34-WATERSHED PROTECTION (WP OR WPDR)	1.9%	0.0%	4.8%	20.0%	5.4%
024 56-COMMUNICATION & TECH MGMNT. (CTM)	0.0%	0.0%	0.0%	4.0%	0.7%
025 58-HUMAN RESOURCES (HR OR HRD)	0.0%	0.0%	2.4%	4.0%	1.4%
026 60-PUBLIC WORKS (PW)	11.5%	24.1%	7.1%	16.0%	13.5%
027 69-PLANNING & DEVELOPMENT REVIEW (PDR)	1.9%	0.0%	0.0%	0.0%	0.7%
028 70-FLEET SERVICES (FLEET)	1.9%	3.4%	2.4%	0.0%	2.0%
029 72-NEIGHBORHOOD HOUSING & COMM DEV(NHCD)	0.0%	0.0%	0.0%	0.0%	0.0%
030 74-FINANCIAL SERVICES (FASD)	7.7%	6.9%	2.4%	0.0%	4.7%
032 83-FIRE	3.8%	0.0%	2.4%	0.0%	2.0%
033 86-PARKS & RECREATION (PR)	7.7%	6.9%	7.1%	0.0%	6.1%
034 92-CONVENTION CENTER (ACCD)	1.9%	0.0%	2.4%	8.0%	2.7%



Case Id: 822680
Policy #(s): 696962G

Plan Year: January
As of Date: 12/31/2014

Case Name: THE CITY OF AUSTIN

Loss Unit	01/01/2011- 12/31/2011	01/01/2012- 12/31/2012	01/01/2013- 12/31/2013	01/01/2014- 12/31/2014	Total
035 97-CONTRACT AND LAND MANAGEMENT (CLMD)	1.9%	0.0%	0.0%	0.0%	0.7%
037 80-BUILDING SERVICES DEPARTMENT	0.0%	0.0%	2.4%	0.0%	0.7%
Total Open & Closed *	100.0%	100.0%	100.0%	100.0%	100.0%

* Includes claims with status of Closed after EP, Pending after EP, or Open

EXHIBIT F
STD AND LTD CALCULATION EXAMPLE
CITY OF AUSTIN PURCHASING OFFICE
SHORT TERM AND LONG TERM DISABILITY INSURANCE
SOLICITATION NUMBER: RFP JRD0306

A. Current Short Term Disability Plan Design

Short Term Disability is 100% employer paid, with immediate eligibility on date of employment. Thirty calendar day waiting period after disability begins (with benefits payable to the 90th day after disability began). The City currently applies the Short Term Disability rate to only 70% of the employee's annual salary.

Short Term Disability Monthly Calculation Example

1. 2015 Rate (including FICA and administrative handling) \$0.12 (per \$100 in salary)

2. Below is how the rates are applied.

Example:

Annual Salary	\$50,000.00
70% of Salary covered by STD	\$35,000.00
Divided by 100	\$ 350.00
Multiply by Rate	\$ 0.12
Annual Premium	\$ 42.00
Divided by 12 months (Premium per Month)	<u>\$ 3.50</u>

B. Current Long Term Disability Plan Design

Long Term Disability is 100% employee paid, with immediate eligibility on date of employment and a ninety day waiting period. Employee Participation cannot be guaranteed by City. Unlike Short Term Disability the City applies the Long Term Disability rate to 100% of the employee's annual salary.

1. Current 2015 Rates

Long Term Disability Monthly Calculation below is based on a 40 year old employee earning \$50,000 annually.

Rate Per Month \$0.274 (per \$100 in salary)

2. Complete this example as an illustration of how the rate is applied:

Example:

Annual Salary	\$50,000.00
Divided by 100	\$ 500.00
Multiply by Rate	\$ 0.274
Annual Premium	\$ 137.00
Divided by 12 months (Premium per Month)	<u>\$ 11.42</u>

EXHIBIT G
CITY OF AUSTIN PURCHASING OFFICE
SHORT TERM DISABILITY AND LONG TERM DISABILITY
REQUEST FOR PROPOSAL NO. JRD0306

2010	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
STD Monthly Premium	42,500.73	42,352.83	42,291.48	42,298.08	42,422.61	42,419.90	42,418.06	42,439.69	42,507.97	43,534.21	43,639.80	43,693.53
Enrollment	10,978	10,932	10,920	10,927	10,931	10,929	10,919	10,944	10,956	10,988	11,018	11,035
Annual Rate	0.012	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12
LTD Monthly Premium	145,548.79	145,204.10	145,273.50	145,779.62	145,789.20	145,801.89	146,153.56	146,736.13	147,418.38	152,339.18	153,056.20	153,624.72
Enrollment	7,986	7,938	7,915	7,922	7,905	7,894	7,882	7,894	7,883	7,896	7,908	7,910
2011	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
STD Monthly Premium	43,804.86	43,713.45	43,870.24	43,944.26	43,965.05	43,912.19	43,859.14	43,774.29	43,899.28	43,938.43	45,109.88	45,127.20
Enrollment	11,056	11,038	11,113	11,128	11,127	11,109	11,110	11,078	11,020	11,112	11,178	11,185
Annual Rate	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12
LTD Monthly Premium	114,103.36	113,971.42	114,269.24	114,738.09	114,757.62	114,930.35	114,925.26	115,101.99	115,847.57	116,125.04	119,470.58	120,039.08
Enrollment	8,057	8,043	8,088	8,111	8,108	8,096	8,114	8,089	8,117	8,113	8,144	8,137
2012	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
STD Monthly Premium	45,021.77	44,853.39	44,866.12	44,737.35	45,018.52	45,172.43	45,045.74	46,125.12	45,250.40	45,325.79	46,354.72	46,760.42
Enrollment	11,162	11,117	11,148	11,116	11,116	11,153	11,117	11,141	11,179	11,199	11,186	11,294
Annual Rate	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12
LTD Monthly Premium	120,446.62	120,602.24	120,774.68	120,608.33	121,383.78	121,727.14	121,258.72	121,567.25	122,107.81	122,308.30	126,072.98	126,754.88
Enrollment	8,256	8,273	8,259	8,227	8,261	8,259	8,209	8,229	8,258	8,269	8,264	8,289
2013	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
STD Monthly Premium	46,640.19	46,769.65	46,715.10	46,892.27	46,952.09	47,142.69	47,136.31	47,313.36	47,491.61	47,480.05	48,375.73	48,415.59
Enrollment	11,267	11,331	11,323	11,345	11,351	11,394	11,364	11,405	11,441	11,428	11,516	11,512
Annual Rate	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12
LTD Monthly Premium	127,167.28	127,541.46	127,569.54	127,868.04	128,078.48	128,446.07	128,495.62	128,997.63	128,997.63	129,398.42	132,123.57	132,466.81
Enrollment	8,389	8,457	8,468	8,464	8,460	8,463	8,457	8,449	8,449	8,418	8,452	8,437
2014	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
STD Monthly Premium	48,443.10	48,558.10	48,723.19	48,793.12	49,628.41	49,888.21	49,996.04	49,956.36	50,235.09	50,358.10	51,604.55	51,664.29
Enrollment	11,516	11,551	11,615	11,627	11,765	11,813	11,819	11,810	11,874	11,913	11,970	11,985
Annual Rate	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12	0.12
LTD Monthly Premium	132,302.98	132,538.79	132,651.45	132,788.12	134,863.20	135,060.65	135,611.75	135,766.43	136,317.89	136,601.71	141,020.33	141,084.92
Enrollment	8,510	8,541	8,535	8,540	8,571	8,587	8,600	8,595	8,610	8,600	8,593	8,596

LTD Open Claims

THE CITY OF AUSTIN

Requested Policy Number: 696962G

All Loss Units Requested

Valuation Date: 12/31/2014

Policy Number	Age	Current Claim Status	Loss Unit Number	Employee Group Number	Date Of Disability	Gross Benefit	Net Reserve
696962G	45	APPROVED	8	008	01/15/2013	\$2,073.00	\$27,621.00
696962G	37	APPROVED	18	018	03/26/2011	\$2,647.00	\$264,027.00
696962G	58	APPROVED	4	004	01/28/2014	\$2,958.00	\$28,163.00
696962G	62	APPROVED	14	014	03/07/2014	\$1,342.00	\$19,182.00
696962G	50	APPROVED	28	028	09/15/2013	\$2,555.00	\$72,381.00
696962G	50	APPROVED	14	014	06/28/2013	\$1,906.00	\$82,315.00
696962G	43	APPROVED	18	018	08/31/2014	\$3,628.00	\$159,167.00
696962G	50	APPROVED	34	034	07/09/2014	\$1,559.00	\$43,903.00
696962G	63	APPROVED	22	022	04/15/2014	\$1,823.00	\$8,087.00
696962G	56	APPROVED	18	018	11/12/2013	\$3,164.00	\$35,947.00
696962G	57	APPROVED	19	019	06/01/2013	\$4,985.00	\$37,264.00
696962G	33	APPROVED	32	032	06/18/2013	\$3,324.00	\$21,497.00
696962G	59	APPROVED	17	017	08/23/2013	\$1,754.00	\$23,758.00
696962G	54	APPROVED	8	008	06/21/2013	\$1,633.00	\$50,323.00
696962G	58	APPROVED	26	026	11/11/2012	\$2,102.00	\$17,658.00
696962G	61	APPROVED	28	028	11/03/2011	\$1,884.00	\$4,211.00
696962G	55	PENDING	23	023	08/18/2014	\$1,864.00	\$35,874.00
696962G	58	APPROVED	19	019	04/04/2011	\$2,202.00	\$8,297.00
696962G	58	APPROVED	20	020	09/19/2011	\$2,049.00	\$10,418.00

696962G	53	APPROVED	4 004	07/27/2013	\$4,192.00	\$55,194.00
696962G	61	APPROVED	26 026	10/30/2012	\$1,856.00	\$1,133.00
696962G	60	APPROVED	37 037	10/10/2013	\$1,522.00	\$19,266.00
696962G	50	APPROVED	8 008	07/15/2013	\$44.00	\$207.00
696962G	61	APPROVED	14 014	07/23/2012	\$1,455.00	\$3,101.00
696962G	52	APPROVED	1 001	04/01/2011	\$2,520.00	\$30,288.00
696962G	45	APPROVED	4 004	04/08/2013	\$2,109.00	\$37,654.00
696962G	58	PENDING	7 007	08/24/2013	\$2,370.00	\$71,585.00
696962G	45	APPROVED	23 023	12/12/2011	\$1,559.00	\$50,493.00
696962G	32	APPROVED	26 026	08/05/2014	\$4,044.00	\$81,314.00
696962G	59	APPROVED	26 026	06/16/2014	\$2,369.00	\$47,605.00
696962G	58	PENDING	34 034	08/14/2013	\$1,499.00	\$16,301.00
696962G	57	APPROVED	10 010	11/03/2012	\$1,869.00	\$28,787.00
696962G	50	APPROVED	19 019	01/02/2014	\$3,695.00	\$179,799.00
696962G	48	APPROVED	15 015	09/24/2013	\$2,050.00	\$78,561.00
696962G	57	APPROVED	33 033	07/13/2011	\$1,813.00	\$3,569.00
696962G	49	APPROVED	14 014	04/17/2014	\$1,682.00	\$53,886.00
696962G	54	APPROVED	33 033	07/19/2012	\$1,551.00	\$14,186.00
696962G	56	APPROVED	30 030	10/05/2011	\$3,671.00	\$26,467.00
696962G	45	APPROVED	19 019	10/09/2013	\$2,238.00	\$13,618.00
696962G	64	APPROVED	25 025	03/17/2014	\$3,699.00	\$9,481.00
696962G	49	APPROVED	33 033	07/18/2013	\$1,702.00	\$28,206.00
696962G	59	APPROVED	33 033	10/15/2011	\$1,506.00	\$6,106.00
696962G	40	APPROVED	26 026	05/03/2012	\$1,900.00	\$54,863.00
696962G	57	APPROVED	23 023	04/22/2014	\$2,077.00	\$14,031.00
696962G	60	PENDING	19 019	07/03/2014	\$3,489.00	\$66,122.00
696962G	36	APPROVED	23 023	03/15/2014	\$1,800.00	\$47,947.00

696962G	55	APPROVED	23	023	06/24/2014	\$2,026.00	\$53,288.00
696962G	34	PENDING	34	034	08/23/2014	\$1,888.00	\$28,489.00
696962G	38	APPROVED	33	033	01/24/2013	\$3,176.00	\$10,118.00
696962G	59	APPROVED	15	015	04/09/2013	\$1,454.00	\$13,586.00
696962G	34	APPROVED	16	016	05/16/2014	\$1,926.00	\$73,629.00

All Claims with Benefit Payments by Claimant

THE CITY OF AUSTIN

Requested Policy Number: 696962G, Requested Coverage: STD

All Loss Units Requested

All Employee Groups Requested

Disability Date From 01/01/2013 Through 12/31/2014

Process Date From 01/01/2013 Through 12/31/2014

Expenses Excluded

Loss Type	Policy Number	Coverage Type	Disability Date	Age at Disability	Gender	Total Benefits
Evaluate & Process	Policy Number: 696962G	STD-NST	09/08/2014	59	Female	\$3,467.64
Evaluate & Process	Policy Number: 696962G	STD-NST	06/20/2014	35	Female	\$698.88
Evaluate & Process	Policy Number: 696962G	STD-NST	10/30/2014	30	Male	\$790.72
Evaluate & Process	Policy Number: 696962G	STD-NST	03/20/2013	62	Male	\$3,741.60
Evaluate & Process	Policy Number: 696962G	STD-NST	11/22/2013	35	Female	\$1,032.96
Evaluate & Process	Policy Number: 696962G	STD-NST	06/17/2013	37	Female	\$2,945.04
Evaluate & Process	Policy Number: 696962G	STD-NST	05/08/2013	33	Female	\$3,770.00
Evaluate & Process	Policy Number: 696962G	STD-NST	03/07/2014	62	Male	\$3,096.00
Evaluate & Process	Policy Number: 696962G	STD-NST	09/15/2013	50	Male	\$5,896.80
Evaluate & Process	Policy Number: 696962G	STD-NST	06/26/2013	50	Female	\$23.57
Evaluate & Process	Policy Number: 696962G	STD-NST	06/26/2013	31	Female	\$1,887.84
Evaluate & Process	Policy Number: 696962G	STD-NST	06/28/2013	50	Female	\$4,399.20

Evaluate & Process	Policy Number: 696962G	STD-NST	03/22/2013	41	Female	\$3,806.88
Evaluate & Process	Policy Number: 696962G	STD-NST	06/26/2014	38	Female	\$5,208.00
Evaluate & Process	Policy Number: 696962G	STD-NST	05/07/2013	46	Male	\$3,458.40
Evaluate & Process	Policy Number: 696962G	STD-NST	06/15/2014	28	Male	\$6,692.66
Evaluate & Process	Policy Number: 696962G	STD-NST	08/31/2014	43	Male	\$8,371.46
Evaluate & Process	Policy Number: 696962G	STD-NST	07/09/2014	50	Male	\$3,597.60
Evaluate & Process	Policy Number: 696962G	STD-NST	06/13/2014	47	Female	\$5,082.17
Evaluate & Process	Policy Number: 696962G	STD-NST	04/15/2014	63	Male	\$4,207.20
Evaluate & Process	Policy Number: 696962G	STD-NST	05/13/2013	33	Female	\$2,347.80
Evaluate & Process	Policy Number: 696962G	STD-NST	11/12/2013	56	Female	\$7,300.80
Evaluate & Process	Policy Number: 696962G	STD-NST	06/10/2013	44	Female	\$1,304.16
Evaluate & Process	Policy Number: 696962G	STD-NST	04/15/2013	28	Female	\$1,138.56
Evaluate & Process	Policy Number: 696962G	STD-NST	04/08/2013	55	Female	\$9,771.43
Evaluate & Process	Policy Number: 696962G	STD-NST	06/01/2013	57	Male	\$10,285.71
Evaluate & Process	Policy Number: 696962G	STD-NST	05/06/2013	38	Female	\$2,195.20
Evaluate & Process	Policy Number: 696962G	STD-NST	12/17/2013	59	Male	\$1,872.59
Evaluate & Process	Policy Number: 696962G	STD-NST	11/05/2013	54	Male	\$9,942.85
Evaluate & Process	Policy Number: 696962G	STD-NST	12/12/2013	29	Female	\$1,079.04
Evaluate & Process	Policy Number: 696962G	STD-NST	03/06/2013	53	Male	\$4,207.20

Evaluate & Process	Policy Number: 696962G	STD-NST	08/03/2013	31	Female	\$5,044.80
Evaluate & Process	Policy Number: 696962G	STD-NST	02/09/2013	67	Male	\$4,227.28
Evaluate & Process	Policy Number: 696962G	STD-NST	01/23/2013	51	Female	\$4,146.87
Evaluate & Process	Policy Number: 696962G	STD-NST	08/23/2013	59	Female	\$202.44
Evaluate & Process	Policy Number: 696962G	STD-NST	06/12/2013	46	Male	\$399.36
Evaluate & Process	Policy Number: 696962G	STD-NST	09/05/2014	39	Female	\$1,888.00
Evaluate & Process	Policy Number: 696962G	STD-NST	06/21/2013	54	Male	\$128.57
Evaluate & Process	Policy Number: 696962G	STD-NST	06/11/2013	37	Female	\$2,243.40
Evaluate & Process	Policy Number: 696962G	STD-NST	08/18/2014	55	Male	\$128.57
Evaluate & Process	Policy Number: 696962G	STD-NST	10/14/2013	29	Female	\$1,024.80
Evaluate & Process	Policy Number: 696962G	STD-NST	03/05/2013	53	Female	\$8,173.46
Evaluate & Process	Policy Number: 696962G	STD-NST	06/27/2013	34	Female	\$789.36
Evaluate & Process	Policy Number: 696962G	STD-NST	02/25/2014	50	Male	\$5,462.64
Evaluate & Process	Policy Number: 696962G	STD-NST	07/26/2013	50	Female	\$8,012.15
Evaluate & Process	Policy Number: 696962G	STD-NST	09/27/2014	30	Female	\$636.00
Evaluate & Process	Policy Number: 696962G	STD-NST	09/30/2013	31	Male	\$3,813.60
Evaluate & Process	Policy Number: 696962G	STD-NST	01/05/2013	34	Female	\$2,764.60
Evaluate & Process	Policy Number: 696962G	STD-NST	10/14/2013	31	Female	\$959.04

Evaluate & Process	Policy Number: 696962G	STD-NST	11/24/2014	37 Female	\$1,972.61
Evaluate & Process	Policy Number: 696962G	STD-NST	07/07/2013	43 Female	\$935.20
Evaluate & Process	Policy Number: 696962G	STD-NST	02/04/2014	56 Female	\$128.57
Evaluate & Process	Policy Number: 696962G	STD-NST	08/07/2013	29 Female	\$1,275.84
Evaluate & Process	Policy Number: 696962G	STD-NST	05/02/2013	31 Female	\$1,404.73
Evaluate & Process	Policy Number: 696962G	STD-NST	10/14/2013	32 Female	\$790.08
Evaluate & Process	Policy Number: 696962G	STD-NST	02/13/2013	52 Male	\$2,741.08
Evaluate & Process	Policy Number: 696962G	STD-NST	07/27/2013	53 Male	\$9,674.40
Evaluate & Process	Policy Number: 696962G	STD-NST	04/05/2013	34 Female	\$2,057.14
Evaluate & Process	Policy Number: 696962G	STD-NST	05/18/2013	37 Female	\$1,780.24
Evaluate & Process	Policy Number: 696962G	STD-NST	12/31/2013	31 Female	\$1,092.00
Evaluate & Process	Policy Number: 696962G	STD-NST	05/03/2013	50 Male	\$5,059.20
Evaluate & Process	Policy Number: 696962G	STD-NST	04/16/2013	29 Female	\$1,296.96
Evaluate & Process	Policy Number: 696962G	STD-NST	05/30/2013	56 Male	\$2,174.12
Evaluate & Process	Policy Number: 696962G	STD-NST	10/10/2013	60 Female	\$1,514.33
Evaluate & Process	Policy Number: 696962G	STD-NST	04/25/2014	50 Male	\$4,356.00
Evaluate & Process	Policy Number: 696962G	STD-NST	04/02/2014	48 Male	\$1,563.76
Evaluate & Process	Policy Number: 696962G	STD-NST	02/10/2013	44 Female	\$1,021.92
Evaluate & Process	Policy Number: 696962G	STD-NST	05/31/2014	37 Female	\$2,057.14

Evaluate & Process	Policy Number: 696962G	STD-NST	01/04/2014	34 Female	\$912.96
Evaluate & Process	Policy Number: 696962G	STD-NST	07/12/2013	39 Female	\$1,012.88
Evaluate & Process	Policy Number: 696962G	STD-NST	06/06/2014	48 Male	\$3,597.60
Evaluate & Process	Policy Number: 696962G	STD-NST	03/13/2013	49 Female	\$6,031.20
Evaluate & Process	Policy Number: 696962G	STD-NST	04/19/2014	50 Female	\$6,208.80
Evaluate & Process	Policy Number: 696962G	STD-NST	07/15/2013	50 Female	\$170.52
Evaluate & Process	Policy Number: 696962G	STD-NST	02/03/2014	31 Female	\$428.10
Evaluate & Process	Policy Number: 696962G	STD-NST	09/01/2014	42 Female	\$1,727.44
Evaluate & Process	Policy Number: 696962G	STD-NST	02/21/2013	31 Female	\$843.36
Evaluate & Process	Policy Number: 696962G	STD-NST	04/08/2013	45 Female	\$4,867.20
Evaluate & Process	Policy Number: 696962G	STD-NST	06/24/2013	29 Female	\$908.64
Evaluate & Process	Policy Number: 696962G	STD-NST	04/10/2013	45 Male	\$3,524.08
Evaluate & Process	Policy Number: 696962G	STD-NST	07/16/2013	46 Male	\$487.01
Evaluate & Process	Policy Number: 696962G	STD-NST	08/24/2013	58 Female	\$5,469.60
Evaluate & Process	Policy Number: 696962G	STD-NST	07/17/2014	47 Male	\$1,613.92
Evaluate & Process	Policy Number: 696962G	STD-NST	09/23/2013	52 Female	\$4,689.60
Evaluate & Process	Policy Number: 696962G	STD-NST	09/04/2014	48 Female	\$1,807.05
Evaluate & Process	Policy Number: 696962G	STD-NST	11/11/2013	54 Female	\$2,580.80

Evaluate & Process	Policy Number: 696962G	STD-NST	05/02/2013	41 Female	\$3,691.12
Evaluate & Process	Policy Number: 696962G	STD-NST	03/20/2013	36 Male	\$2,838.60
Evaluate & Process	Policy Number: 696962G	STD-NST	05/09/2013	37 Female	\$1,162.72
Evaluate & Process	Policy Number: 696962G	STD-NST	05/02/2013	31 Female	\$4,185.28
Evaluate & Process	Policy Number: 696962G	STD-NST	07/10/2013	57 Female	\$3,905.80
Evaluate & Process	Policy Number: 696962G	STD-NST	07/03/2013	40 Male	\$3,739.67
Evaluate & Process	Policy Number: 696962G	STD-NST	04/28/2013	57 Male	\$2,542.40
Evaluate & Process	Policy Number: 696962G	STD-NST	01/28/2013	31 Female	\$1,162.37
Evaluate & Process	Policy Number: 696962G	STD-NST	09/15/2013	45 Male	\$2,279.88
Evaluate & Process	Policy Number: 696962G	STD-NST	02/08/2013	60 Female	\$1,603.54
Evaluate & Process	Policy Number: 696962G	STD-NST	07/08/2014	62 Female	\$1,348.11
Evaluate & Process	Policy Number: 696962G	STD-NST	10/30/2013	61 Male	\$5,496.44
Evaluate & Process	Policy Number: 696962G	STD-NST	02/18/2013	60 Male	\$1,203.50
Evaluate & Process	Policy Number: 696962G	STD-NST	01/29/2014	33 Male	\$6,560.80
Evaluate & Process	Policy Number: 696962G	STD-NST	09/09/2014	31 Male	\$32.14
Evaluate & Process	Policy Number: 696962G	STD-NST	08/30/2014	34 Female	\$1,432.32
Evaluate & Process	Policy Number: 696962G	STD-NST	08/15/2013	25 Female	\$1,014.00
Evaluate & Process	Policy Number: 696962G	STD-NST	02/11/2013	28 Female	\$1,080.00

Evaluate & Process	Policy Number: 696962G	STD-NST	05/12/2013	30 Female	\$1,033.92
Evaluate & Process	Policy Number: 696962G	STD-NST	07/26/2013	30 Female	\$519.20
Evaluate & Process	Policy Number: 696962G	STD-NST	04/17/2014	67 Male	\$10,285.72
Evaluate & Process	Policy Number: 696962G	STD-NST	08/03/2013	34 Female	\$585.91
Evaluate & Process	Policy Number: 696962G	STD-NST	10/04/2013	65 Male	\$128.57
Evaluate & Process	Policy Number: 696962G	STD-NST	09/05/2014	53 Male	\$8,796.24
Evaluate & Process	Policy Number: 696962G	STD-NST	04/27/2013	35 Female	\$1,152.96
Evaluate & Process	Policy Number: 696962G	STD-NST	07/03/2014	37 Female	\$1,113.32
Evaluate & Process	Policy Number: 696962G	STD-NST	06/22/2013	38 Male	\$1,217.51
Evaluate & Process	Policy Number: 696962G	STD-NST	10/17/2014	51 Male	\$1,494.60
Evaluate & Process	Policy Number: 696962G	STD-NST	08/05/2014	32 Female	\$5,903.90
Evaluate & Process	Policy Number: 696962G	STD-NST	01/28/2013	25 Female	\$3,974.30
Evaluate & Process	Policy Number: 696962G	STD-NST	05/01/2013	22 Male	\$2,964.00
Evaluate & Process	Policy Number: 696962G	STD-NST	06/16/2014	59 Male	\$5,467.20
Evaluate & Process	Policy Number: 696962G	STD-NST	04/26/2013	54 Female	\$518.76
Evaluate & Process	Policy Number: 696962G	STD-NST	06/17/2014	38 Male	\$1,318.20
Evaluate & Process	Policy Number: 696962G	STD-NST	10/07/2014	50 Male	\$3,763.20
Evaluate & Process	Policy Number: 696962G	STD-NST	08/04/2014	36 Female	\$977.28

Evaluate & Process	Policy Number: 696962G	STD-NST	04/18/2013	57 Female	\$4,029.29
Evaluate & Process	Policy Number: 696962G	STD-NST	06/28/2014	21 Female	\$1,146.60
Evaluate & Process	Policy Number: 696962G	STD-NST	12/23/2013	35 Female	\$2,812.39
Evaluate & Process	Policy Number: 696962G	STD-NST	10/31/2014	32 Female	\$1,246.56
Evaluate & Process	Policy Number: 696962G	STD-NST	11/07/2013	39 Female	\$1,071.84
Evaluate & Process	Policy Number: 696962G	STD-NST	03/07/2013	58 Female	\$981.55
Evaluate & Process	Policy Number: 696962G	STD-NST	07/02/2014	33 Female	\$3,390.48
Evaluate & Process	Policy Number: 696962G	STD-NST	05/19/2014	40 Female	\$1,565.20
Evaluate & Process	Policy Number: 696962G	STD-NST	06/13/2013	28 Female	\$1,162.37
Evaluate & Process	Policy Number: 696962G	STD-NST	02/05/2013	31 Female	\$1,072.40
Evaluate & Process	Policy Number: 696962G	STD-NST	01/22/2013	45 Male	\$1,682.57
Evaluate & Process	Policy Number: 696962G	STD-NST	12/02/2013	50 Female	\$1,931.16
Evaluate & Process	Policy Number: 696962G	STD-NST	09/03/2014	52 Female	\$3,110.40
Evaluate & Process	Policy Number: 696962G	STD-NST	02/04/2013	43 Male	\$6,211.20
Evaluate & Process	Policy Number: 696962G	STD-NST	09/29/2013	40 Female	\$4,556.16
Evaluate & Process	Policy Number: 696962G	STD-NST	01/02/2014	50 Male	\$8,527.20
Evaluate & Process	Policy Number: 696962G	STD-NST	01/11/2014	46 Male	\$4,956.00
Evaluate & Process	Policy Number: 696962G	STD-NST	09/24/2013	48 Female	\$4,730.40
Evaluate & Process	Policy Number: 696962G	STD-NST	02/01/2014	61 Female	\$5,923.20

Evaluate & Process	Policy Number: 696962G	STD-NST	05/03/2013	40 Male	\$0.00
Evaluate & Process	Policy Number: 696962G	STD-NST	01/25/2013	34 Female	\$2,616.48
Evaluate & Process	Policy Number: 696962G	STD-NST	09/23/2013	46 Female	\$8,241.43
Evaluate & Process	Policy Number: 696962G	STD-NST	10/19/2013	52 Female	\$4,920.00
Evaluate & Process	Policy Number: 696962G	STD-NST	10/25/2014	53 Female	\$3,022.60
Evaluate & Process	Policy Number: 696962G	STD-NST	04/27/2013	47 Male	\$3,633.60
Evaluate & Process	Policy Number: 696962G	STD-NST	06/26/2013	56 Female	\$8,401.12
Evaluate & Process	Policy Number: 696962G	STD-NST	02/20/2013	42 Female	\$8,476.80
Evaluate & Process	Policy Number: 696962G	STD-NST	04/17/2014	49 Female	\$3,880.80
Evaluate & Process	Policy Number: 696962G	STD-NST	08/13/2014	59 Female	\$1,677.33
Evaluate & Process	Policy Number: 696962G	STD-NST	03/18/2013	33 Female	\$1,427.92
Evaluate & Process	Policy Number: 696962G	STD-NST	12/11/2013	55 Female	\$4,588.80
Evaluate & Process	Policy Number: 696962G	STD-NST	11/12/2013	49 Male	\$5,428.80
Evaluate & Process	Policy Number: 696962G	STD-NST	01/25/2013	51 Male	\$1,003.56
Evaluate & Process	Policy Number: 696962G	STD-NST	07/25/2013	32 Female	\$738.92
Evaluate & Process	Policy Number: 696962G	STD-NST	10/09/2013	45 Female	\$5,164.80
Evaluate & Process	Policy Number: 696962G	STD-NST	03/17/2014	64 Female	\$8,536.80
Evaluate & Process	Policy Number: 696962G	STD-NST	10/06/2014	34 Female	\$2,876.48
Evaluate & Process	Policy Number: 696962G	STD-NST	04/22/2014	27 Female	\$2,126.40
Evaluate & Process	Policy Number: 696962G	STD-NST	01/26/2013	29 Female	\$1,067.40
Evaluate & Process	Policy Number: 696962G	STD-NST	10/04/2014	26 Male	\$1,723.68

Evaluate & Process	Policy Number: 696962G	STD-NST	06/20/2014	39 Female	\$2,022.00
Evaluate & Process	Policy Number: 696962G	STD-NST	07/04/2013	58 Male	\$2,240.72
Evaluate & Process	Policy Number: 696962G	STD-NST	07/18/2013	49 Male	\$3,928.80
Evaluate & Process	Policy Number: 696962G	STD-NST	05/03/2014	29 Male	\$7,159.20
Evaluate & Process	Policy Number: 696962G	STD-NST	03/08/2013	32 Female	\$1,786.56
Evaluate & Process	Policy Number: 696962G	STD-NST	01/04/2013	60 Female	\$128.57
Evaluate & Process	Policy Number: 696962G	STD-NST	02/01/2013	30 Female	\$618.72
Evaluate & Process	Policy Number: 696962G	STD-NST	02/09/2013	28 Female	\$669.24
Evaluate & Process	Policy Number: 696962G	STD-NST	03/31/2014	52 Male	\$3,529.60
Evaluate & Process	Policy Number: 696962G	STD-NST	04/21/2014	53 Female	\$5,440.80
Evaluate & Process	Policy Number: 696962G	STD-NST	01/31/2013	57 Female	\$3,287.20
Evaluate & Process	Policy Number: 696962G	STD-NST	08/05/2013	65 Female	\$3,084.84
Evaluate & Process	Policy Number: 696962G	STD-NST	04/07/2013	56 Male	\$4,636.80
Evaluate & Process	Policy Number: 696962G	STD-NST	04/22/2014	57 Male	\$3,949.37
Evaluate & Process	Policy Number: 696962G	STD-NST	08/01/2014	30 Female	\$1,450.84
Evaluate & Process	Policy Number: 696962G	STD-NST	11/19/2013	43 Female	\$4,068.00
Evaluate & Process	Policy Number: 696962G	STD-NST	10/30/2014	59 Male	\$3,075.44
Evaluate & Process	Policy Number: 696962G	STD-NST	05/15/2013	49 Male	\$1,134.24
Evaluate & Process	Policy Number: 696962G	STD-NST	10/06/2013	54 Male	\$967.80
Evaluate & Process	Policy Number: 696962G	STD-NST	04/01/2013	68 Male	\$128.57

Evaluate & Process	Policy Number: 696962G	STD-NST	01/07/2013	32 Female	\$881.76
Evaluate & Process	Policy Number: 696962G	STD-NST	07/03/2014	60 Female	\$7,582.58
Evaluate & Process	Policy Number: 696962G	STD-NST	07/21/2014	33 Female	\$2,940.32
Evaluate & Process	Policy Number: 696962G	STD-NST	10/11/2013	49 Female	\$47.14
Evaluate & Process	Policy Number: 696962G	STD-NST	02/05/2013	34 Female	\$908.64
Evaluate & Process	Policy Number: 696962G	STD-NST	03/15/2014	36 Male	\$2,176.77
Evaluate & Process	Policy Number: 696962G	STD-NST	01/05/2013	27 Female	\$792.00
Evaluate & Process	Policy Number: 696962G	STD-NST	01/30/2014	30 Female	\$940.80
Evaluate & Process	Policy Number: 696962G	STD-NST	12/05/2013	53 Female	\$2,656.04
Evaluate & Process	Policy Number: 696962G	STD-NST	12/04/2013	42 Female	\$7,440.00
Evaluate & Process	Policy Number: 696962G	STD-NST	06/24/2014	55 Male	\$4,675.20
Evaluate & Process	Policy Number: 696962G	STD-NST	06/16/2014	66 Male	\$7,008.00
Evaluate & Process	Policy Number: 696962G	STD-NST	08/23/2014	34 Male	\$4,356.00
Evaluate & Process	Policy Number: 696962G	STD-NST	10/24/2013	35 Female	\$1,484.64
Evaluate & Process	Policy Number: 696962G	STD-NST	10/08/2014	47 Female	\$2,057.15
Evaluate & Process	Policy Number: 696962G	STD-NST	01/24/2013	38 Male	\$7,329.60
Evaluate & Process	Policy Number: 696962G	STD-NST	05/02/2014	37 Female	\$3,489.94
Evaluate & Process	Policy Number: 696962G	STD-NST	02/06/2013	39 Female	\$2,804.40
Evaluate & Process	Policy Number: 696962G	STD-NST	07/14/2014	53 Male	\$969.12
Evaluate & Process	Policy Number: 696962G	STD-NST	06/24/2013	29 Male	\$2,222.88

Evaluate & Process	Policy Number: 696962G	STD-NST	04/11/2013	37	Female	\$1,574.20
Evaluate & Process	Policy Number: 696962G	STD-NST	02/27/2013	42	Female	\$1,119.36
Evaluate & Process	Policy Number: 696962G	STD-NST	10/14/2013	24	Female	\$32.14
Evaluate & Process	Policy Number: 696962G	STD-NST	03/25/2013	32	Female	\$1,512.96
Evaluate & Process	Policy Number: 696962G	STD-NST	05/02/2014	32	Female	\$822.12
Evaluate & Process	Policy Number: 696962G	STD-NST	07/24/2013	29	Female	\$1,009.92
Evaluate & Process	Policy Number: 696962G	STD-NST	03/05/2014	40	Female	\$1,646.40
Evaluate & Process	Policy Number: 696962G	STD-NST	02/15/2013	32	Female	\$1,891.20
Evaluate & Process	Policy Number: 696962G	STD-NST	09/16/2013	32	Female	\$1,152.48
Evaluate & Process	Policy Number: 696962G	STD-NST	05/02/2013	58	Male	\$2,305.60
Evaluate & Process	Policy Number: 696962G	STD-NST	02/07/2014	58	Male	\$4,971.43
Evaluate & Process	Policy Number: 696962G	STD-NST	04/09/2013	59	Female	\$2,415.58
Evaluate & Process	Policy Number: 696962G	STD-NST	10/11/2014	32	Female	\$1,275.12
Evaluate & Process	Policy Number: 696962G	STD-NST	09/23/2014	39	Male	\$3,405.44
Evaluate & Process	Policy Number: 696962G	STD-NST	03/25/2013	55	Female	\$394.20
Evaluate & Process	Policy Number: 696962G	STD-NST	02/26/2013	51	Female	\$7,172.00
Evaluate & Process	Policy Number: 696962G	STD-NST	04/19/2013	51	Male	\$5,795.92
Evaluate & Process	Policy Number: 696962G	STD-NST	08/16/2013	34	Female	\$2,891.68

Evaluate & Process	Policy Number: 696962G	STD-NST	02/26/2014	50	Male	\$3,941.00
Evaluate & Process	Policy Number: 696962G	STD-NST	07/09/2013	45	Female	\$55.71
Evaluate & Process	Policy Number: 696962G	STD-NST	08/28/2014	33	Female	\$1,515.84
Evaluate & Process	Policy Number: 696962G	STD-NST	05/16/2014	34	Male	\$128.57
Evaluate & Process	Policy Number: 696962G	STD-NST	09/25/2013	42	Male	\$1,754.88
Evaluate & Process	Policy Number: 696962G	STD-NST	07/11/2014	27	Female	\$825.12
Evaluate & Process	Policy Number: 696962G	STD-NST	07/18/2014	65	Male	\$793.52
Evaluate & Process	Policy Number: 696962G	STD-NST	09/06/2013	35	Female	\$6,094.72
	Policy Number: 696962G					



City of Austin

Purchasing Office, Financial Services Department
P.O. Box 1088, Austin, TX 78767

May 28, 2015

Life Insurance Company of North America (Cigna)
Mr. Scott Hardner
Vice President, National Account Sales Representative
Two Liberty Place
1601 Chestnut Street
Philadelphia, PA 19192

Subject: Best and Final Offer of RFP JRD0306, Short Term Disability and Long Term Disability

Dear Mr. Hardner:

Thank you for your response to the RFP JRD0306 solicitation for the City of Austin. The City has identified Life Insurance Company of North America as a finalist and is requesting a Best and Final Offer (BAFO) from your company in regards to your submittal.

Best and Final Offer Rate Information:

The City would like your organization's Best and Final Offer (BAFO) based upon the current Short Term Disability and Long Term Disability plan designs stated in the RFP solicitation. Please complete the BAFO Section 0610-A: Current Plan Design Rate Sheet and Section 0610-B: Alternate Plan Design Rate Sheet.

1. Propose your BAFO rates for the current plan design for the full six (6) year contracting periods, without stipulations. The rates shall be guaranteed for the initial 36-month period. Firm rates or maximum rate caps shall be provided for the three (3) 12 month extension option periods.
2. Quote rates out to three (3) decimal points.
3. The monthly rates quoted shall be evenly divisible by two (2) (i.e. - shall end in an even number).

Clarification Questions:

The City would like your organization to confirm each statement listed below.

1. Confirm that the City of Austin personnel policies and procedures will govern over the Contractor's administrative procedures. (0500 Scope of Work, Paragraph 3.12.3)
2. Confirm that the City of Austin reserves the right to determine if a participant is considered a late entrant. (0500 Scope of Work, Paragraph 3.7.2)
3. Confirm summary reports will be produced quarterly. (0500 Scope of Work, Paragraph 3.11.3)
4. Confirm when an employee is approved for STD benefits, if the employee returns to work within 15 days and experiences a relapse, the employee is not required to satisfy another 30 day waiting period. (0500 Scope of Work, Paragraph 3.10.7)
5. Confirm when an employee is approved for LTD benefits, if the employee returns to work within 6 months and experiences a relapse, the employee is not required to satisfy another 90 day waiting period. (0500 Scope of Work, Paragraph 3.10.7)
6. Confirm acceptance of the City's monthly premium payment by check for the month of January will not be submitted before the end of 1/31/2016. Confirm all subsequent months during the contract period will follow the same process. The City's payment will be considered made on the postmark date. (0600 Proposal Preparation Instructions, Tab 21(A).G)



City of Austin

Purchasing Office, Financial Services Department

P.O. Box 1088, Austin, TX 78767

7. The City understands Short Term Disability and Long Term Disability are not governed by HIPAA. However as a business practice the City requires all vendors doing business with the Human Resources Department, Employee Benefits Division to sign a HIPAA Agreement. Confirm acceptance and sign the HIPAA document attached. (Section 0640)
8. Confirm acceptance of the updated Disability Performance Measures. (Section 0670)
9. Please provide a listing of Public Sector clients which have 5,000 or more employees and a list of large employer groups with over 10,000 employees. (Section 0700 References / 0600 Proposal Preparation Instructions, Tab 18)

As requested in the proposal, please notify your reference clients that the City will be contacting them to complete a reference check. These calls will take place after your best and final offer is received.

All information is due back to me by 2:00 PM, local time, on Thursday, June 4th, 2015.

Thank you for your participation in this competitive solicitation. We appreciate your interest in doing business with the City of Austin.

Sincerely,

Jonathan Dalchau
Senior Buyer
City of Austin
Purchasing Office

ATTACHMENT 0610-B REVISED - ALTERNATE PLAN DESIGN RATE SHEET - BAFO
CITY OF AUSTIN PURCHASING OFFICE
SHORT TERM AND LONG TERM DISABILITY INSURANCE
SOLICITATION NUMBER: RFP JRD0306

Reference 3.5 of Section 0500: Program Coverage Requirements:

Complete the rate sheet below for the corresponding premium for Short Term Disability and Long Term Disability. The rates shall be guaranteed for the initial 36-month period, regardless of actual enrollment or payroll volume. Firm rates or maximum rate caps shall be provided for the three (3) 12-month extension option periods, regardless of actual enrollment or payroll volume. The Contractor shall quote rates out to three (3) decimal points and divisible by two (2).

SECTION 1 - SHORT TERM DISABILITY

SHORT TERM DISABILITY	EXHIBIT D - COA CENSUS INFO	INITIAL CONTRACT - GUARANTEED RATES						OPTION - YEAR 1		OPTION - YEAR 2		OPTION - YEAR 3	
		2016		2017		2018		2019		2020		2021	
Total Covered Payroll	\$773,272,336	Annual Rates	Annual Premium	Annual Rates	Annual Premium	Annual Rates	Annual Premium	Annual Rate or Max % Increase	Annual Premium	Annual Rate or Max % Increase	Annual Premium	Annual Rate or Max % Increase	Annual Premium
70% of Total Covered Payroll	\$541,290,635												
70% of Total Covered Payroll Per \$100	\$5,412,906	\$0.090	\$487,161.57	\$0.090	\$487,161.57	\$0.090	\$487,161.57	\$0.090	\$487,161.57	\$0.098	\$530,464.82	\$0.106	\$573,768.07
Total Short Term Disability Premium for 6 years													\$3,052,879.18

SECTION 2 - LONG TERM DISABILITY

LONG TERM DISABILITY	EXHIBIT D - COA CENSUS INFO	INITIAL CONTRACT - GUARANTEED RATES						OPTION - YEAR 1		OPTION - YEAR 2		OPTION - YEAR 3	
		2016		2017		2018		2019		2020		2021	
Total Covered Payroll	\$568,268,253	Annual Rates	Annual Premium	Annual Rates	Annual Premium	Annual Rates	Annual Premium	Annual Rate or Max % Increase	Annual Premium	Annual Rate or Max % Increase	Annual Premium	Annual Rate or Max % Increase	Annual Premium
Total Covered Payroll Per \$100 - Under 30	\$309,393	\$0.082	\$25,370.23	\$0.082	\$25,370.23	\$0.082	\$25,370.23	\$0.082	\$25,370.23	\$0.088	\$27,226.58	\$0.094	\$29,082.94
Total Covered Payroll Per \$100 - 30-39	\$1,478,724	\$0.108	\$159,702.19	\$0.108	\$159,702.19	\$0.108	\$159,702.19	\$0.108	\$159,702.19	\$0.118	\$174,489.43	\$0.128	\$189,276.67
Total Covered Payroll Per \$100 - 40-49	\$2,065,614	\$0.236	\$487,484.90	\$0.236	\$487,484.90	\$0.236	\$487,484.90	\$0.236	\$487,484.90	\$0.254	\$524,665.96	\$0.274	\$565,978.24
Total Covered Payroll Per \$100 - 50-59	\$1,450,166	\$0.442	\$640,973.37	\$0.442	\$640,973.37	\$0.442	\$640,973.37	\$0.442	\$640,973.37	\$0.478	\$693,179.35	\$0.516	\$748,285.66
Total Covered Payroll Per \$100 - 60-69	\$363,401	\$0.338	\$122,829.54	\$0.338	\$122,829.54	\$0.338	\$122,829.54	\$0.338	\$122,829.54	\$0.364	\$132,277.96	\$0.392	\$142,453.19
Total Covered Payroll Per \$100 - 70 and older	\$15,385	\$0.118	\$1,815.43	\$0.118	\$1,815.43	\$0.118	\$1,815.43	\$0.118	\$1,815.43	\$0.126	\$1,938.51	\$0.136	\$2,092.36
Total Covered Payroll Per \$100	\$5,682,683		\$1,438,175.66		\$1,438,175.66		\$1,438,175.66		\$1,438,175.66		\$1,553,777.79		\$1,677,169.06
Total Long Term Disability Premium for 6 Years													\$8,983,649.50
Annual STD and LTD Premium			\$1,925,337.23		\$1,925,337.23		\$1,925,337.23		\$1,925,337.23		\$2,084,242.62		\$2,250,937.13
Total LTD and STD Premium - 6 Years													\$12,036,528.68

I acknowledge that the rates contained herein are based on the following assumptions:

1. The Short Term Disability rate is per \$100 of salary based upon 70% of annual Pre-Disability Earnings.
2. The Short Term Disability rates include the City of Austin's share of Social Security and Medicare taxes.
3. Proposer will file the Short Term Disability quarterly 941 statements and prepare W-2 statements for each benefit recipient at each year's end and mail to the recipient's home address.
4. The Long Term Disability rates are per \$100 annual Pre-Disability Earnings.
5. The rates are guaranteed regardless of actual enrollment or payroll volume.
6. The rates are guaranteed for the initial 36-month period.
7. If the rates are not guaranteed for the three (3) 12-month extension option periods, rate caps are provided.
8. The rates include all costs for the requirements listed in this RFP, including, but not limited to labor, materials, supplies, printing, travel, and all costs and fees including administrative burden for providing disability insurance programs.
9. Does your Proposal deviate from the specification requirements as specified in 3.5 of the Section 0500? ☐ Yes ☒ No

If yes, list all deviations: These rates reflect the current proposed \$1,500 STD max and \$10,000 LTD max plan designs. We are offering a four year rate guarantee. The fields for Years 2020 and 2021 would not accept percentage maximums. We are quoting 8% rate caps in each year. The rates not

COMPANY NAME: Life Insurance Company of North America

SIGNATURE OF AUTHORIZED REPRESENTATIVE: 

PRINTED NAME: Scott Hardner

EMAIL ADDRESS: Scott.Hardner@Cigna.com

SECTION 0640 – HIPAA BUSINESS ASSOCIATE AGREEMENT - BAFO
CITY OF AUSTIN PURCHASING OFFICE
SHORT TERM AND LONG TERM DISABILITY INSURANCE
SOLICITATION NUMBER: RFP JRD0306

This Agreement is made and entered into between the City of Austin ("City") and the person or entity identified in the signature block below (the "Business Associate"), and is made with reference to the following facts:

- i. The Program is subject to the privacy and other requirements of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA");
- ii. Under the HIPAA Rules (defined below), the City is required to enter into a written agreement with the Business Associate under the terms and conditions provided below; and
- iii. The parties wish to enter into this Agreement in order to comply with the HIPAA Rules (defined below), and to safeguard Protected Health Information (defined below) appropriately.

Therefore, in consideration of their mutual undertakings set out in this Agreement, and for other good and valuable consideration, the parties agree to the following:

1. Definitions. As used in this Agreement:

- A. **"HIPAA Rules"** and/or **"HIPAA"** shall mean the Privacy, Security, Breach Notification, and Enforcement Rules implementing HIPAA and set out at 45 CFR Part 160 and Part 164.
- B. **"Individually Identifiable Health Information"** shall mean information collected from an individual, including demographic information, that:
 - i. Is created or received by the City and provided to the Business Associate; and
 - ii. Relates to: (a) the past, present, or future physical or mental health or condition of an individual; (b) the provision of healthcare to an individual; or (c) the past, present, or future payment for the provision of healthcare to an individual; and
 - iii. Which identifies the individual, or with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
- C. **"Protected Health Information"** shall mean Individually Identifiable Health Information that is: (i) transmitted by electronic media; (ii) maintained in any medium constituting electronic media; or (iii) transmitted or maintained in any other form or medium.
- D. **"Agent"** and **"Subcontractor"** shall mean a third party who is not an employee in the workforce of the Business Associate and who receives Protected Health Information from the Business Associate for purposes of carrying out any part of the Business Associate's responsibilities under its services agreement with the City.
- E. **"Business Associate"** shall have the same meaning as the term "business associate" set out at 45 CFR Part 160.103, and in reference to the party to this agreement, shall be the party designated as a Business Associate.

2. Permitted Uses and Disclosures of Protected Health Information by Business Associate.

- A. The Business Associate may use or disclose Protected Health Information for the following purposes only: (i) to receive and process claims for payment for eligible Program participants; (ii) to maintain claims history and patient profiles; (iii) to maintain current eligibility data on Program participants; and (iv) for the management and administration of its internal business processes that relate to its legal responsibilities and its responsibilities under the services contract between the City and the Business Associate.
- B. The Business Associate may use or disclose Protected Health Information as required by law.

SECTION 0640 – HIPAA BUSINESS ASSOCIATE AGREEMENT - BAFO
CITY OF AUSTIN PURCHASING OFFICE
SHORT TERM AND LONG TERM DISABILITY INSURANCE
SOLICITATION NUMBER: RFP JRD0306

- C. The Business Associate shall make its internal practices, books and records, including policies and procedures, relating to the use and disclosures of Protected Health Information available to the Secretary of the United States Department of Health and Human Services for purposes of determining compliance with HIPAA.
- D. Within ten (10) calendar days of receipt of a request by the City, the Business Associate shall permit any individual whose Protected Health Information is maintained by the Business Associate to have access to and to copy his or her Protected Health Information, in the format requested, unless it is not readily producible in such format, in which case it shall be produced in hard copy format. In the event any individual requests access to Protected Health Information held by the Business Associate directly from the Business Associate, the Business Associate shall, within two (2) days forward such request to the City.

3. Prohibitions on Use and Disclosure of Protected Health Information by Business Associate.

- A. The Business Associate will not use or further disclose Personal Health Information except as permitted or required by this Agreement, or as required by law.
- B. The Business Associate shall not sell Protected Health Information, including patient or enrollee lists, nor use any Protected Health Information to engage in "marketing," as that term is defined in 45 CFR Part 164.501
- C. The Business Associate shall not disclose Personal Health Information to any member of its workforce unless the Business Associate has advised such person of the Business Associate's obligations under this Agreement and of the consequences for such person and for the Business Associate of violating them.
- D. The Business Associate shall not disclose Personal Health Information to any Agent, Subcontractor or other third party unless disclosure is required by law, or unless expressly approved in advance by the City in writing. Any such disclosure shall be made in accordance with 45 CFR Parts 164.502 and 164.308, and only upon the written agreement of the Agent, Subcontractor or other third party which shall include, at a minimum:
 - i. The agreement of such Agent, Subcontractor or other third party that creates, receives, maintains, or transmits protected health information on behalf of the Business Associate agree to be bound to the same restrictions, conditions and requirements that apply to Business Associate with respect to such information;
 - ii. Reasonable assurances from such Agent, Subcontractor or other third party that Personal Health Information will be held confidential as provided in this Agreement, and only disclosed as required by law or for the purposes for which it was disclosed to such Agent, Subcontractor or other third party; and
 - iii. An agreement from such Agent, Subcontractor or other third party to immediately notify the Business Associate of any breaches of the confidentiality of Personal Health Information, to the extent it has obtained knowledge of such breach.

4. Safeguards for Protected Health Information.

- A. The Business Associate shall implement appropriate safeguards to prevent use or disclosure of Personal Health Information other than as permitted by this Agreement. The Business Associate shall provide the City with information concerning such safeguards as the City may from time to time request. Upon reasonable request, the Business Associate shall give the City access for inspection and copying to the Business Associate's facilities used for the maintenance and processing of Personal Health Information, and to its books, records, practices, policies, and procedures concerning the use and disclosure of Personal Health Information.

SECTION 0640 – HIPAA BUSINESS ASSOCIATE AGREEMENT - BAFO
CITY OF AUSTIN PURCHASING OFFICE
SHORT TERM AND LONG TERM DISABILITY INSURANCE
SOLICITATION NUMBER: RFP JRD0306

- B. The Business Associate and any Agent or Subcontractor shall comply with the minimum necessary requirements set forth in the HIPAA Rules when using or disclosing Personal Health Information. The Business Associate also agrees to mitigate, to the extent possible, any harmful effects of an improper use or disclosure of Personal Health Information by the Business Associate in violation of the requirements of this Agreement. The Business Associate shall make its internal practices, books, records, including policies and procedures, related to the use and disclosures of protected health information available to the Secretary of the United States Department of Health and Human Services, for purposes of determining compliance with HIPAA.
- C. The Business Associate shall maintain a record of all Personal Health Information disclosures made other than for the permitted purposes of this Agreement, including the date of disclosure, the name and, if known, the address of the recipient of the Personal Health Information, a brief description of the Personal Health Information disclosed, and the purposes of the disclosures.
- D. The Business Associate shall comply with all written directions from the City concerning:
 - i. any special limitations on the use or disclosure of Protected Health Information beyond the requirements of the HIPAA Rules;
 - ii. any changes in, or revocation of, the permission by an individual to use or disclose his or her Protected Health Information that may affect the Business Associate's use or disclosure of such information; and
 - iii. any restriction on the use or disclosure of Protected Health Information that the City has agreed to that may affect the Business Associate's use or disclosure of such information.
- E. Within ten (10) calendar days of notice by the City to the Business Associate that the City has received a request for an accounting of disclosures of Personal Health Information regarding an individual, the Business Associate shall make available to the City such information as is in the Business Associate's possession and is required for the City to make the accounting.
- F. Within five (5) business days of becoming aware of a use or disclosure of Personal Health Information in violation of this Agreement by the Business Associate, Agent or Subcontractor, the Business Associate shall report such disclosure or use in writing to the City and describe the remedial action taken or proposed to be taken with respect to such use or disclosure.
- G. The Business Associate shall make any amendment(s) to Protected Health Information in a designated record set as directed or agreed to by the City pursuant to 45 CFR Part 164.526, or take other measures as necessary to satisfy the City's obligations under 45 CFR Part 164.526.
- H. The Business Associate acknowledges that the additional requirements of the HITECH Act (Health Information Technology for Economic and Clinic Health Act enacted as part of the American Recovery and Reinvestment Act of 2009) and the Final Rule (also known as the Omnibus Rule) issued by the U.S. Department of Health and Human Services on January 25, 2013 are applicable to the Business Associate. The Business Associate further acknowledges restrictions on the sales and marketing of protected health information without the explicit authorization of the individual.
- I. To the extent the Business Associate is to carry out one of more of the City's obligations under Subpart E of 45 C.F.R. Part 164, the Business Associate will comply with the requirements of Subpart E that apply to the City in the performance of such obligations.
- J. The Business Associate may not use or disclose protected health information in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by the City except for the specific uses and disclosures set forth below:

SECTION 0640 – HIPAA BUSINESS ASSOCIATE AGREEMENT - BAFO
CITY OF AUSTIN PURCHASING OFFICE
SHORT TERM AND LONG TERM DISABILITY INSURANCE
SOLICITATION NUMBER: RFP JRD0306

- i. The Business Associate may disclose protected health information for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate, provided the disclosures are required by law, or the Business Associate obtains reasonable assurances from the person to whom the information is disclosed that the information remains confidential and used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies the Business Associate of any instances in which it is aware in which the confidentiality of the information has been breached.
- ii. The Business Associate may provide data aggregation services related to the health care operations of the City.

5. Term of this Agreement; Termination; Procedures upon Termination.

- A. This Agreement shall become effective upon execution by the parties, and shall be effective as of the date of the last party to sign.
- B. The term of this Agreement shall expire with the close of business on _____, 20____. Provided, that either party may terminate this Agreement on any basis at any time prior to the expiration of the term upon written notice to the other party.
- C. Except as provided in paragraph D, below, upon termination of this Agreement, the Business Associate shall return or destroy all Personal Health Information received from the City, or created or received by the Business Associate on behalf of the City. This provision shall also apply to Personal Health Information that is in the possession of Agents or Subcontractors of the Business Associate. The Business Associate shall retain no copies of the Personal Health Information.
- D. In the event that the Business Associate determines that returning or destroying the Personal Health Information is not feasible, the Business Associate shall provide to the City written notification of the conditions that make return or destruction infeasible. Upon agreement by the City that return or destruction of Personal Health Information is not feasible, the Business Associate shall extend the protections of this Agreement to such Personal Health Information and limit further uses and disclosures of such Personal Health Information to those purposes that make the return or destruction infeasible, for so long as the Business Associate maintains the Personal Health Information. The Business Associate shall continue to use appropriate safeguards and comply with Subpart C of 45 C.F.R. Part 164 with respect to electronic protected health information to prevent use or disclosure of the protected health information, other than as provided for in this Section, for as long as Business Associate retains the protected health information.
- E. The Business Associate shall not use or disclosure the protected health information retained by the Business Associate other than for the purposes for which the protected health information was retained and subject to the same conditions set out in this Agreement which applied prior to Termination.
- F. Survival. The obligations of the Business Associate under this Section shall survive the termination of this Agreement.

6. Other Provisions.

- A. **Indemnification.** The Business Associate shall indemnify and hold harmless the City from and against any and all costs, liabilities, losses, damages and expenses (including, but not limited to, reasonable attorneys' fees) resulting from any claim, lawsuit or proceeding brought by a third party against the City and arising from or related to a breach or alleged breach by the Business Associate or the Business Associate's Agents or Subcontractors of the obligations referenced herein. The Business Associate's obligation to indemnify shall survive the expiration or termination of the Contract.

SECTION 0640 – HIPAA BUSINESS ASSOCIATE AGREEMENT - BAFO
CITY OF AUSTIN PURCHASING OFFICE
SHORT TERM AND LONG TERM DISABILITY INSURANCE
SOLICITATION NUMBER: RFP JRD0306

- B. **Remedies for Breach.** Without limiting the rights of the parties under paragraph 5, should the Business Associate breach any of its obligations under this Agreement, the City may at its option: (i) exercise its rights of access and inspection under paragraph 2, above; and/or (ii) report the breach to the Secretary of the United States Department of Health and Human Services.
- C. **Notices.** Any notice by a party required or provided for under this Agreement shall be effective upon delivery via regular or electronic mail to the other party at the following address:

To the City:	To the Business Associate:
Name:	Name:
Phone:	Phone:
Fax:	Fax:
Email:	Email:

- D. **Amendments.** Upon the enactment of any law or regulation affecting the use or disclosure of protected health information, or the publication of any decision of a court of the United State or State of Texas relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, the City may, by written notice to the Business Associate, amend this Agreement in such a manner as the City determines necessary to comply with such law or regulation. Notwithstanding the foregoing, if the City and Business Associate have not amended this Agreement to address a law or final regulation that becomes effective after the effective date of this Agreement and that is applicable to this Agreement, then upon the effective date of such law or regulation (or any portion thereof) this Agreement shall be amended automatically and deemed to incorporate such new or revised provisions as are necessary for this Agreement to be consistent with such law or regulation for the City and the Business Associate to be and remain in compliance with all applicable laws and regulations.
- E. **Construction of Terms.** A reference in this Agreement to a section in the HIPAA Rules means the section in effect or as amended at the time. Any ambiguity in this Agreement shall be interpreted to permit compliance with the HIPAA Rules.

Agreed to by the parties through the signatures of their authorized representatives below:

THE CITY OF AUSTIN, TEXAS

By: _____
[Signature]

Name: _____

Title: _____

Date: _____

THE BUSINESS ASSOCIATE:

By: Scott Hardner - N/A
[Signature]

Name: Scott Hardner

Title: Vice President, National Accounts Specialty Division

Organization Name: Life Insurance Company of North America

Date: 6/2/2015



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CITY OF AUSTIN, TEXAS

TO: Veronica Lara, Director
Department of Small and Minority Business Resources
FROM: Jonathan Dalchau, Senior Buyer
DATE: 2/25/2015
SUBJECT: Request for Determination of Goals for Solicitation No. RFP JRD0306

Project Name: Short & Long Term Disability
Commodity
Code(s): 94638, 95337, 95363, 95861, & 96247
Estimated Value: Total Contract over 6 years = \$15,000,000 (\$2,500,000/year)

Below are scopes of work for this project as determined by the Purchasing Office and Department that are contained in this solicitation.

To contract is to provide fully-insured Short Term Disability (STD) and Long Term Disability (LTD) insurance coverage for City eligible employees, and employees of Affiliated Employers.

The Departmental Point of Contact is: Lisa Herrera at Phone: 512-974-3316

Per paragraph 8.2.1 of the Rules Governing the Minority and Women Owned Business Enterprise Procurement Program, please approve the use of the above goals by completing and returning the below endorsement. If you have questions, please call me at 512-322-6586.

 Approved w/ Goals ☒ Approved, w/out Goals

Recommend the use of the following goals based on the below reasons:

- a. Goals: % MBE % WBE
- b. Subgoals % African American % Hispanic
- % Native/Asian American % WBE

This determination is based on the following reasons:

This is a contract to provide fully-insured Short & Long Term Disability insurance coverage for City Employees and Employees of Affiliated Employers. There are no subcontracting opportunities. However, there are 3 certified firms listed for this scope of service.

Date: 3-2-15

Veronica Lara, Director

cc: Lorena Resendiz